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Editorial AS WE SEE IT

If steel industry management had hoped, as many of the rest of us had, that its firm and determined resistance to further exploitation of the people through the steel industry would focus public attention upon the revolution that has taken place in the compensation of labor in this country, it must by now be as disappointed as are the remainder of us. As the controversy in the industry drags along, the events that are taking place in other industries and have taken place elsewhere appear to be less and less in the minds of the rank and file. There has often been a good deal of talk about settlement in the steel industry "setting or fixing a pattern" for the remainder of industry. A pattern of higher wages and various other "benefits" throughout almost all of the industry of this country has, as a matter of fact, now been definitely set. This fact does not, of course, in any way warrant acceding to unreasonable demands on the part of steel labor, but should not escape the attention and the very serious thought of us all.

Under the influence of New Deal philosophy and imbued with a remarkable sort of optimism about this "brave new world" in which we are supposed to be living, the people of this country seem by and large to be quite unaware of what has taken place in labor relations during the past decade or two. A brief review of a very few salient facts should provide a clear picture of the essentials of what has taken place. Unfortunately, shrewd labor leaders some while ago adopted the practice — they may have got the idea from our national budget makers—of taking an increasingly large share of their "gains" in forms which do not show up clearly in the accounts of the companies at least for the present or in the statistics one must depend on to keep track of such things. They have now been given the name and style of "fringe benefits."

Taking Stock

It is, however, quite possible to take fairly accurate stock of what has happened to (Continued on page 25)

Barometric Factors Present in The Bond Market Outlook

By C. Richard Youngdahl, Executive Vice-President, Aubrey G. Lanston & Co., New York City*

Probe of the bond market outlook for 1960 by government securities dealer ascertains whether the money and capital market storm is over or still in the hurricane's eye. Investment banker Youngdahl explains why he expects no material easing in interest rates in next several months, and prices and yields to range within last September's level and last October's high. Describing his conclusions as risky at best, Mr. Youngdahl comments on such imponderables as who will buy short-term governments if business decides to sell; the prospects for labor-management peace; and the status of the 4¼% government bond ceiling.

Before trying to develop some point of view as to what may happen to interest rates over the next several months, it may prove useful to review the forces that carried interest rates and bond prices where they are today. About a year and a half ago prices of bonds were at their crest. It is scarcely necessary to explain in detail the developments that brought the bull market to an end. Suffice it to say that an abrupt change of the business outlook completely changed the basic forces at work in the credit markets and reversed the prevailing pattern of expectations for continuing credit ease. Swings in business, of course, have long been with us and may, I suppose, be considered normal. The abnormal thing about this cycle was the sharpness of the upturn in business—a change that was followed by an unprecedented, meteoric rise in interest rates.

C. Richard Youngdahl

We have had other periods, including the 1955 recovery, when business improved dramatically and when credit demands from all sources took on a renewed vigor. But none of these periods carried with them the same kind of sharp rise in interest rates that was experienced in 1958, nor did the change in interest rates go as far.

What were the new forces at work this time, and what do these forces imply for interest rate movements in the period ahead? It is easy to call to mind several more or less special factors affecting interest rates over the past year and a half. The one we think of most readily is the over-extended position taken in Treasury securities, and other securities, by many of our financial institutions and by certain individuals and corporations. This, however, was by no means the most important factor in the increase in interest rates, even though it was possibly the best publicized. Its effect was largely to accelerate the speed of the interest rate rise in its earlier phases—the ultimate extent of the rise, and the level of interest rates prevailing today, probably would have worked out about the same without the influence of these over-commitments.

It is often said that in the recent recovery the Federal Reserve moved more promptly on the restrictive side than has been the case in other business cycles. Postwar experience is limited in this connection, inasmuch as there has been only one other recovery period of this nature since flexible monetary policy was re-established in 1951. It is certainly true, however, that the Federal Reserve took prompt, courageous action in moving away from its policy of promoting credit ease, once the decision to do so was taken on July 29, 1958. This prompt and vigorous action was particularly needed, in my judgment, because of two other unstabilizing factors at work in our money and credit system.

One of these was the sad state of the Federal budget. In retrospect it is amazing that our money and credit system could have been through the magnitude of Treasury (Continued on page 24)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 30.

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

DAVID W. HUNTER
Manager, Syndicate Department
McKelvy & Co., Pittsburgh
Members New York Stock Exchange and Other Exchanges

Sanborn Company

Unlike most small electronic instrument firms with outstanding growth potential, Sanborn Company, has enjoyed 42 years of profitable experience, has a strong balance sheet, and sells at a reasonable price in relation to earnings and dividends. The company has produced a profit in every year since its founding in 1917, with dividends uninterrupted since 1925. Over the years Sanborn has become recognized as a leader in the production of complex medical instruments, including electrocardiographs, multichannel recording systems for biophysical research, and other diagnostic equipment.

David W. Hunter

Increasing use of electronic developments in the medical equipment led to the establishment in 1949 of the industrial instrumentation division, which today contributes over 50% of sales. Industrial instruments measure and record almost any physical event such as stress, strain, pressure, etc., with products going into a wide variety of industrial uses, including the aircraft, oil, automotive, machine tool and atomic energy fields. For both the medical and industrial instruments Sanborn provides supplies, the major item being a heat-sensitive, plastic-coated recording paper. This type of repeat business constitutes almost one-third of total sales.

Sanborn's sales growth is as impressive as that of many spectacular electronics companies. This year's sales should be in the neighborhood of $14½ million, an increase for the 13th consecutive year and up from the $5½ million level attained in 1953. While the rate of sales growth has approximated 20% a year over the past 5 years, growth in earnings per share has been even more outstanding—from 31¢ a share in 1953 to an estimated $1.30 per share in 1959.

The outlook for companies in the industrial instrumentation field is generally conceded to be excellent. Less commonly recognized, perhaps, is this country's increasing need for hospital supplies and medical instruments. The development of a transistorized portable electrocardiograph at a reasonable price makes thousands of general practitioners a potential market for Sanborn products.

Several factors lead me to the conclusion that Sanborn should share in both expanding industrial and medical markets:

(1) About 6% of annual sales is devoted to research and development, a figure almost double the corresponding 1956 expenditures. As a result approximately 140 of the 900 employees are devoted to new products and applications;

(2) The company's balance sheet is very strong with no debt or preferred stock and a 3½ to 1 current ratio;

(3) The company has an efficient $2 million plant, built in 1957 and located on 23 acres of land near Route 128 about 14 miles west of Boston. This plant is being wholly utilized and will probably be expanded in the near future;

(4) Both divisions have strong sales representation in all major cities across the country;

(5) Sanborn has no union and a substantial percentage of employees have been with the company over 5 years; in addition

(6) Management is supported by a Board of Directors consisting of some of the most outstanding businessmen in the New England area.

Perhaps the reasonable price-earnings ratio is attributable to the fact that the company has not exceeded its 1956 peak earnings of $1.44 per share. It was in that year that the production of its more profitable instruments was stepped up just prior to moving into the new plant. Results for 1957 and 1958 were penalized somewhat by the plant move, the 1958 recession, and excessive costs incurred in introducing an inordinately large number of new instruments. Earnings for 1959, however, are expected to approximate the 1956 results with the Company benefiting from a cost reduction program and price increases on some equipment. The outlook for 1960 is for continued improvement with a backlog of instrument orders on Oct. 1, 1959 near $1,700,000, an increase of some 44% over the year earlier figure.

Sanborn appears to combine many of the elements necessary to asure participation in two rapidly growing industries. The medical division offers some protection in periods of recession while the industrial division provides a substantial base for continued strong growth. A partial realization of these potentials could provide the stock with a higher price-earnings ratio and the investor with substantial capital appreciation. The stock is traded in the Over-the-Counter Market and at the recent quotation of about 26 is selling at 20 times estimated 1959 earnings of $1.30 per share. I regard the stock as suitable for those accounts who are interested in capital appreciation through small companies with better than average quality.

ARTHUR C. McCALL
Vice-President, Alester G. Furman Co., Incorporated, Greenville, S. C.
Member of Midwest Stock Exchange

Carolina Pipeline Co.

The Security I Like Best is Carolina Pipeline Company of Columbia, S. C. The company was incorporated Nov. 21, 1955, for the purpose of constructing a transmission gas pipeline running from the Piedmont area of South Carolina into area known as Peedee area. The transmission line connects with the Transcontinental Gas Pipeline Corporation in the Piedmont area of South Carolina.

Arthur C. McCall

(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

This Week's Forum Participants and Their Selections

Sanborn Company — David W. Hunter, Manager Syndicate Department, McKelvey & Co., Pittsburgh, Pa. (Page 2)

Carolina Pipeline Co.—Arthur C. McCall, Vice-President, Alester G. Furman Co., Incorporated, Greenville, S. C. (Page 2)

In 1957, the company was financed by the issuance of:

$6,160,000 first mortgage pipeline bonds at 4¾% which were placed with institutional investors.

$1,050,000 of 7% subordinated interim notes due 1963 payable either in cash or $1.75 preferred stock of no par value.

606,612 shares of common stock of which 42,000 shares were sold to the interim noteholders as a unit along with 7% interim note at $27 for the package.

300,000 shares of common stock were sold to the public at $6 per share.

The total funds raised by this program for construction was $9,000,000.

On June 30, 1958, the company's pipeline system was completed which consisted of approximately 340 miles of transmission line ranging in size from 12" down to 4½". Distribution systems are owned by the company in seven South Carolina communities; Bishopville, Camden, Cheraw, Dillon, Marion, Mullins, and Latta. In addition, the company wholesales gas to three natural gas authorities, namely, York County Natural Gas Authority; Lancaster County Natural Gas Authority, and Chester County Natural Gas Authority. The authorities in turn distribute gas in the towns of Rock Hill; York; Clover; Fort Mills; Chester; Lancaster; Great Falls, and Kershaw. Gas is sold to a municipally owned system at Bennettsville. The Peoples Natural Gas Company of Florence buys gas wholesale and distributes it in the towns of Florence; Darlington; Hartsville, and Sumter.

The company distributes natural gas direct to a number of important companies: Celanese Corporation of America; Rock Hill Printing and Finishing Company, a division of M. Lowenstein & Sons; E. I. duPont deNemours & Co.; Reeves Brothers; Dixiana Mills; Bowaters Paper Company; Springs Cotton Mills; J. P. Stevens & Co.; Oak River Mills; Kendall Company; Carolina Ceramics; Cheraw Brick Works; Ashe Brick Works; and numerous other smaller companies throughout its service area.

The company's contracts are for periods ranging from 10 to 20 years and the rates charged for natural gas are on very favorable competitive prices with competing fuels.

Estimated population within the service area is 600,000. According to the original projection made by Ford, Bacon & Davis, consulting engineers, it was estimated that the company would show a loss of $187,000 in its first year's operation. Instead, the company ended its first fiscal year (with only nine months operation) March 31, 1959, showing a profit of approximately $9,000. It is unusual for a pipeline company to show a profit in its first year's operation.

During the summer of 1959, additional territory was added to a franchised area in Abbeville County, serving the communities of Abbeville, Calhoun Falls, and Due West. The financing of this expansion was made possible by the company securing $1,300,000 of additional first mortgage money without issuing additional equity. The program was completed and put into operation on Oct. 1, 1959,

Continued on page 24

The Immediate Future and The Longer Term Outlook

By Arthur S. Harper, Vice-President and Senior Bank Consultant, Lionel D. Edie & Co.*

What's facing us in the immediate and the longer-term future? Dr. Harper specifies his answer to this after summing up the overall level of activity which he expects will reach a new high in the first half of 1960, level off to high even keel during the remainder of the year, and continue to a $750 billion GNP in 1970 compared to our present $480 billion GNP—but not in a straight line or without fits and starts.

What will be the economic climate ahead—the climate that we should expect next year, and also that which we are likely to find ten years from now? Ten years is a long time and in a dynamic economy such as ours, many developments may occur in the future which we cannot possibly envision today. It is nevertheless possible to make some logical estimates of the size of our economy in 1970. Although these estimates may in fact deviate from the actual figures of the future they nevertheless are useful as a framework about which we can make our financial plans.

Arthur S. Harper

I would like to reverse what might be called the natural order of things and discuss first the longer term future. Then in the remainder of my paper I will return to the short-term outlook and try to picture in rather specific terms the course which I believe business activity will follow in 1960.

Ten-year forecasts are not unusual any more. In recent years I have heard or read one or more of them practically each year. It is no longer an effort strictly confined to the beginning of a new calendar decade. Judged by the record of the past 15 years most long-range forecasts have one thing in common—they were all too low. The experience common to all forecasters has been first to feel that he might have been too bold or too hopeful only to realize in later years that he should have had the courage of his convictions and let his imagination go.

Long-range forecasts are not solely a matter of imagination, however. In order to develop a reasonably accurate forecast for 1970 it is necessary to go through a rather complicated analysis of population growth, of the movement of population through the various age groupings, of family incomes, expenditures and savings, of the change in the labor force, of trends in output per worker and in prices.

I have no intention detailing all of this work. Although the methods are more or less widely acknowledged and accepted, the final results of various forecasters do differ somewhat. I shall present here simply the conclusions which our approach indicates regarding our economy in 1970.

It has become sort of a good American custom to project American business in terms of gross national product which is presently about $480 billion. By 1970 it will be in the neighborhood of $750 billion. In other words the value of all goods and services produced in the United States by 1970 will probably be over 50% greater than at present.

Predicts Greater Output Required

By 1970 the population of the United States will number about 212 million—an increase of about 35 million persons. The size of the increase in the markets for our products is staggering. The question of excess capacity takes on a somewhat different aspect when we realize that 20% more output will be required just to supply the increased population without any allowance for improved living standards.

The civilian labor force will rise to 85 million by 1970. Fifteen million above our present labor force. Despite a reduction in working hours, this increase in our working population along with rising productivity and wages will produce a total personal income of about $630 billion versus $380 billion now.

To give you some idea of what this would mean to individual incomes, note that income per employed worker is at present about $4,000 a year. By 1970 this will rise to about $5,400 a year, an increase of 35% above the present level.

Our 1970 economy will require business expenditures on new plan and equipment of about $60 billion a year compared with $35 billion at present. Home building will be in the midst of a record production era reflecting the fact that the high birth rates immediately following World War II will result in high family formation rates in the new 18-24 age group. The number in this age group will expand almost 100% over the present 15 to 16 million in the coming decade. This is the age group representing the new labor force. This is the age group in which most of the marriages occur. This is the group that will go to college and provide us with new scientific personnel, new teachers and new technicians. Finally, this is the age group which typically spends a high percentage of its income and borrows heavily to acquire for their families all kinds of durable consumer goods including electrical appliances, automobiles and houses as well as food and

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The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
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Striking a timely note of caution about the rosy business prospects generally held for 1960 and the remaining years of the oncoming decade, the December *Monthly Bank Letter* of the First National City Bank of New York calls attention to a dark cloud hovering over the economy. The troubling factor spotted consists of labor demands affecting business' ability to obtain cost reductions expected from capital investment outlays.

The *Letter* states:

All the rosy optimism for 1960 hinges on willingness of people to accept prosperity and stay at work. In the steel business one might suppose that the men, after business recession losses in 1958 and strike losses in 1959, might be ready to enjoy a bonanza year. The quest for full employment has many obstacles and one of these is the tendency of the workman to demand more than the traffic will bear when jobs are indeed plentiful.

The big cloud ahead is labor unrest. The outcome of negotiations now in progress may have an important bearing on the ability of the economy to capitalize on the markets of the "Fabulous Sixties" and to realize its full growth potential. In one recent union-management dispute after another, the crucial issue has turned out to be working rules and the right of management to promote efficiency and cut costs.

If a businessman is not able to obtain the cost reductions he expected from an expensive piece of new equipment, or if the efficient scheduling of his operations is repeatedly disrupted, his incentive to make further investments of this sort is greatly diminished. The investment climate for the steel industry is certainly not enhanced by union insistence on work rules which perpetuate outmoded "past practices." The railroads' plight is not remedied by rules encouraging "featherbedding," nor does dock union opposition to new cargo-handling techniques speed the prospect of substantial investment in automation. Investment decisions in firm after firm may depend on the attitude toward cost cutting and technological improvements which emerges from current negotiations. Yet these investments, and more efficient utilization of man-power, are the very means to the progress everyone wants.

Strike Losses

The economy has been disrupted by strikes this year to the greatest extend since 1946. In the first three quarters of 1959, a total of 48,500,000 man-days was lost through work stoppages, with time lost in the steel and dock strikes during the fourth quarter pushing the year's total beyond 1949 and 1952. And these calculations simply include time lost by strikers and ignore people laid off as a secondary result.

A thorny problem is how, in a free society, to get people to work. The Taft-Hartley Act has been condemned as "a slave labor law." Yet it does not force anyone to work in a steel plant. Its procedures can, however, limit the rights of a union organization to shut down a vital industry. These rights, already denied to public employees in various jurisdictions, stand on trial in the court of public opinion.

The workings of the Taft-Hartley Act give workers an opportunity to register their willingness to continue the strike. Sixty days after the injunction is issued (Jan. 6 in the case of steel) the board of inquiry appointed by the President reports its findings in the case, including the details of management's last offer. During the next 15 days (by Jan. 21), the National Labor Relations Board takes a secret ballot of all employees involved. If no agreement is reached within five days after the results are made public, the injunction is dissolved and the union is free to strike again. In the dock dispute, also currently under a Taft-Hartley injunction, a renewed strike is possible by Dec. 27.

Some doubts have been expressed as to the workability of the election provisions. Many union members, who might be glad indeed to remain at work, presumably would be restrained from voting to accept management's last offer on the ground that they would be weakening their union. Yet it would be a constructive achievement if the procedure could be made to work and spare the Congress from seeking alternatives. One thought that needs to be borne in mind in any consideration of the problem is that there must be hundreds of thousands of men who would be glad to work in steel plants at present steel wages if union pressures did not deter them.

Latest Offer

In mid-November, steel management liberalized its offer to 30 cents an hour in wages and fringes over a three-year period plus cost-of-living raises of up to 8 cents in the second and third years of the contract. It proposed submitting the controversial work rules issue to a two-man labor-management committee for study and recommendations; if agreement is not reached by June 30, 1960, the issue would go to arbitration. R. Conrad Cooper, chief negotiator for the industry, characterized the terms as "a fair offer to do what can be done and still keep within non-inflationary bounds in the cost of steel production." David McDonald, President of the United Steelworkers, who earlier had proclaimed that management would get work rule changes "over our dead bodies," calculated the offer as worth only 24 cents an hour.

Various suggestions have been made for government intervention in the event that steelworkers go out on strike again. It is unlikely that industry will be able to do much steel inventory building before the injunction period ends, and the nation's health and safety may be as much in peril as they were when President Eisenhower first requested the injunction on Oct. 19. The dangers in relying on government action to settle labor disputes were ably pointed out by Secretary of Labor James P. Mitchell back in April.

[*Ed. Note — The reader may wish to examine Mr. Mitchell's views on "What's Wrong Today With Collective Bargaining" in the Nov. 5, 1959 issue of the Chronicle, p. 12.*]

Contracts for future construction in the United States in October totalled $3,134,500,000, down 5% from a year ago, F. W. Dodge Corp. reported. Despite the drop, however, construction contracts in October were the second highest in history for the month, the report pointed out.

On a seasonally adjusted basis, October showed some improvement over the two previous months as the Dodge index of construction contracts rose to 278 from a level of 269 in September and 258 in August.

Contracts for non-residential buildings amounted to $1,003,457,000, an increase of 5% over the same month last year. Sharp gains in contracts for manufacturing and commercial buildings were chiefly responsible for the increase, while nearly all other non-residential building types fell below a year ago.

Residential building contracts in October were valued at $1,514,953,000, a decrease of 5% from October 1958. The number of dwelling units represented by the residential contracts totalled 108,248, down 12% from last year.

October contracts for heavy engineering construction amounted to $616,090,000, a decline of 19% from the same month last year. Both public works and utilities contracts were below the corresponding year-earlier levels.

Cumulative totals for the first 10 months of 1959 and the percentage changes from the corresponding period of last year, were as follows: total construction, $31,714,027,000, up 5%; non-residential building, $9,821,196,000, up 4%; residential building, $15,077,614,000, up 20%; and heavy engineering, $6,815,217,000, down 18%.

Bank Clearings Up 13.1% From 1958 Week

Bank clearings, this week will show an increase compared with a year ago. Preliminary figures compiled by the "Chronicle" based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Nov. 28, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 13.1% above those of the corresponding week last year. Our preliminary totals stand at $22,502,395,555 against $19,887,678,313 for the same week in 1958. Our comparative summary for some of the principal money centers follows:

Week Ended Nov. 28—	1959 (000 omitted)	1958 (000 omitted)	%
New York	$11,567,489	$9,649,318	+19.9
Chicago	1,059,707	1,020,139	+ 3.9
Philadelphia	965,000	982,000	+ 1.7
Boston	706,745	649,212	+ 8.9

Complete details of bank clearings throughout the nation appear on page 47 of our issue of Monday, Nov. 30.

Expects Steel Production Record in 1960

A steel production record of 127 to 130 million ingot tons will be set in 1960, "The Iron Age" predicts.

The new record will be 8.5 to 10% higher than the previous record production of 117 million tons set in 1955.

The national metalworking weekly says two principal factors are behind the expected record: First is inventory buildup as steel users try to rebuild steel stocks that were liquidated in the strike. Second is need to recover actual production lost by manufacturers because of lack of steel during and after the strike.

The magazine says that these two factors will make up the difference between a normal production of 110 to 115 million tons that would have been likely for 1960 and the record tonnage predicted.

But "The Iron Age" hedges its prediction by pointing to the possibility of a prolonged strike by either the longshoremen or railroad workers. If either of these occurs, the magazine says, all bets are off.

While the injunction is on in steel, defense industries are pushing hard to get as much steel as they can in the 80-day period, "The Iron Age" reports.

Basis for the defense demands is a recent Business & Defense Services Administration directive giving certain defense industries the right to demand prompt delivery and tonnage in excess of regular setasides.

Tonnage involved is difficult to estimate, but some dislocation of civilian orders of alloy steels, plates, and structurals will result from the defense priorities, the magazine says.

This means that key defense industries should be able to build up at least a cushion of steel inventories in case the steelers renew their strike Jan. 26, when the Taft-Hartley injunction runs out.

The magazine quotes one steel executive as saying that "six months tonnage requirements are being shoved into the 80-day period."

On the labor front, "The Iron Age" reports no reason for optimism as talks with Federal mediators resumed in Washington this week. The stalemate is as serious as ever, with no sign of either side easing in its position.

One More Offer by Steel Companies Expected Before Jan. 6

Steelmakers will pour more ingots in December than they've ever produced in that month and may even set an all-time monthly record, "Steel," the metalworking weekly, said today.

If operations average 90% of capacity—and that will probably be the minimum rate—production will be 11.3 million ingot tons. Biggest previous December output was in 1956 when 10.8 million tons were produced.

If operations average 93% or higher in December, production will set an all-time monthly record, surpassing last May's 11.6 million tons.

Since almost all products are in peak demand, steelmakers know they can use every ingot they can make. To get maximum output, they're pressing marginal facilities into service—furnaces that were considered too costly for use earlier in the year.

Last week, steelmakers boosted their operations to 88% of capacity, 9.1 points above the previous week's revised rate. Production was about 2,492,000 ingot tons. November output will be 6.8 million tons.

This year's output will be about 92 million tons, "Steel" said, assuming a 90% rate in December. The total for 11 months is about 81 million tons.

If labor strife is averted in January, the nation's steelmaking furnaces will pour a record 130 million ingot tons in 1960, with operations averaging 88% of capacity. This will substantially exceed the present record of 117 million tons set in 1955. Reasons:

(1) Strike depleted inventories must be replenished. Steel stocks are down to about eight million tons and are highly unbalanced. Next year, they should rise to about 22 million or 23 million tons.

(2) As the boom recovers from the strike-induced setback, there will be heavy requirements for steel for automobiles, consumer durables, construction, capital equipment, and in other large consuming areas.

The metalworking weekly said to look for at least one more offer from the steel companies before January 6. If the steel case isn't settled by then, union members will ballot on whether to accept the last offer or go back on strike.

Now that the worst of the mill startup problems that took much management and union time are over, meetings will be resumed on a formal basis. On economic matters, the two sides aren't too far apart. On work rules, they are miles apart.

Speculation that Congress may attempt to force a settlement by

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OBSERVATIONS...

BY A. WILFRED MAY

"PLAYING" THE NEW BOND MARKET

By the Little Shots

The enormous rise in available interest yield, together with the growing realization that "inflation" and bull stock markets do not travel on one-way streets, are entailing the spread of bond market participation and knowledgeability ever more widely. Now the need for enhanced know-how includes the unsophisticated U. S. Savings Bond buyer who used to be comfortably settled in a simple 10-to-12-year ride with the Treasury as well as the veteran high-bracketed bond buyer.

A. Wilfred May

Beginning at the bottom of the fixed-income ladder, the alternative decisions facing today's Savings Bond investor represent a far cry indeed from the 1935-to-1940 days of the Baby Bonds (i.e. Series A to D), and the succeeding war-time initiation of the popular, although not quite "magic," Series "E's."

In those early days, the "patriotic" Bond-consumer was acquiring a 10-year contract from the Treasury at 75% of principal whence year-by-year appreciation to par would assure him a competitive 2.9% yield; resting easy in the certainty that termination of the arrangement prior to the maturity date could only be effected by himself.

Present-Day Complexities

Now, in contrast to the former simplicity, the buyer of the E-Bond, who has seen two hikes in their yield, to 3¼% and recently to 3¾%, with shortening of the interval to their maturity, is faced with additional decisions involving stakes which cannot be persistently ignored. Inertia no longer can survive the obligation to take advantage of the benefits imposed by ever-increasing yield opportunities. This awareness of competing yield attractions, has been foisted on him by highly publicized switch offers and opportunities, as presented by the Magic Fives.

The Challenging Alternatives

Specifically under the changed provisions:—the holder of Series E bonds, if un-matured, can swap them for "H's" yielding 3¾% in current income, with a deferral of income tax on the past appreciation, which is chargeable as ordinary income and not capital gain. His current return in cash income however would, of course, be fully taxable. The main advantage in such a switch is if the holder for some reason (possibly age) prefers his income through current payments rather than appreciation.

The holder of un-matured "E's" must also in many cases decide whether competing available yields make it advantageous for him to redeem them. The penalty imposed on the holders for cashing-in at various periods before maturity, can be ascertained from a Treasury Department information booklet. For example, if a holder who has owned his bonds for 4 years, redeems them, he is sacrificing a 4.04% yield from that date to maturity. This may be worthwhile, as part of a switch to a higher yielding medium, as another Magic Five issue.

The holder of a **matured** "E" Bond, can either switch to the currently income paying "H," with past income's tax deferral, or be automatically extended on a continuing 3¾% basis.

Both the prospective new purchaser and the holder of a matured "E" must decide whether the 3¾% yield is advantageous, in meeting his requirements. "Plus" factors would include constant cashability without shrinkage of principal, and guarantee of the continuing interest return stated at the outset. On the other hand, he must decide whether these advantages are more than outweighed by the higher yields from competing media. The alternative of the newer short-term Treasury Bonds or notes which offer a 4.70-to-5% return constitute a yield differential sufficient to compensate for the possibility of a considerable shrinkage of principal should the competing open-market Bond or Note have to be liquidated before maturity.

Alternatives Before the Richer Holders

The richer, or at least more sophisticated, holders of Series "F" and "G," Savings Bonds, with 2½ yields, that mature in 1960, can advantageously swap them for new Treasury 4¾% notes due in four years and 10 months. The Treasury also offers tax deferral in the case of such a swap.

Holders of all "F's" and "J's," yielding 2½%, can swap them for the "H's" paying 3¾% currently, and gain deferral of past tax accruals.

Also competing with all Savings Bond issues is the Savings Bank. This riskless medium repays the full principal on demand at any time contrasted with the penalty attached to the redeemer of appreciation Savings Bonds before maturity. The drawback to the Savings Bank account consists in a possible reduction of the yield before withdrawal time.

It should be appreciated that these complexities and the Treasury's related difficulties stem from an outrageous act of Government price-fixing; in the recent Congressional refusal to raise the 4¼% ceiling on the Treasury's long-term borrowing.

In any event:—*WOE UNTO THE LAZY INVESTOR!*

* * *

By the Big Shots

In the more professional areas also are there repercussions highlighted as the result of the changed bond market. Thus, circumstances surrounding the American Telephone and Telegraph Company's latest piece of major financing offer a number of significant implications. Although they were not dubbed "Magic" along with the Treasury's recent five-year issue, the $250 million of 27-year "Telephone" Debentures' distribution with a 5.22% yield was remarkable. Surprising not only was this relatively low yield offered on a long-term loan, but also the very favorable *Call* privilege secured by the borrower. Whereas the provision for an immediately optional call was included in the Company's 28-year 4⅜% Debenture issue of April 1, 1957, it was replaced by a 5-year grace period in the succeding 26-year debentures issued Nov. 1, 1957.

This corporate issue's yield is not merely very little greater than the present yield on Treasuries (particularly on the discount issues after taxes). Some of the outstanding Government issues, the 4's due Aug. 15, 1961 and the 4's due Aug. 15, 1962, provide (as do the appreciation Savings Bonds) for the calling-option in reverse: that is, for use by the lending investor instead of the borrower. Accordingly, 1,840,000,000 out of a total issue of $2 billion, of the latter issue have been redeemed or cashed by their holders.

Financing Via a Corporate Issue

How did it come about that despite a buyer's (i.e., investor's) market a corporate borrower (the "seller") can achieve the inclusion of a favorable call-option? The answer lies partly at the door of the *competitive bidding* method. This conclusion is reached in the following way.

When the "Telephone" officials were planning the issue a month or so ago, the market price level of comparable issues (as a 5.72% yield on the New England Telephones, 5.42% on Southern Bell) led them to believe that they would have to pay from 5¾ to 6% for new money. It was at that time decided that an indispensable offset to such a high interest rate would be the inclusion of the call privilege, permitting a rearrangement of the contract on the return of the money market to more "normal levels." Subsequently, while the issue's registration data were being completed, the bond market improved, and to such an extent that the new issue carrying a 5⅜% coupon brought a successful bid setting a price of 102¼ to the public, or a yield of but 5.22% to maturity.

It is known that many insurance companies, along with other expert investors, shied away from the Call provision in the new issue. They have noted that the outstanding 5s of 1983 which are exempt from redemption before 1962 sold at a full 5% yield. The new issue, nevertheless was successfully marketed, with an estimated 25 to 30%, the highest proportion in a number of years, going to individuals. Presumably these non-professional investors are not conscious of the disadvantages of the one-way redemption feature. All this resulted in a favorable deal for the company. It actually paid only about 0.10% annually for the insertion of the call privilege. This 0.10% instead of the 0.22% differential, results from the fact that, even with all the attending provisions equal, the successful distribution of a new issue would require the bait of a slightly higher yield. In this case, it would have been 5.1% instead of the 5% on the outstanding issue—thus indicating the remaining 0.10% as the price for the Call paid by the borrower. Thus, the Company paid only 0.10% for the Call, while the investor receives only 0.22% as compensation for the insertion of the Call penalty. The buyer of the new, instead of the outstanding issue, is saying that he will not pay 0.22% for a no-Call privilege.

This implied decision, we believe, is an error on the part of the investor. With institutional buyers it is a different matter, since he must buy in a large bloc which is probably unattainable in the case of an outstanding issue.

This issue, shunned by most of the insurance companies, was bought in the amount of $25 million by the largest life company, but for short-term investment purposes to harmonize with pending commitments for use of its liquidation.

An Inequitable Feature

In the realm of equity, too, we contend that the one-way Call feature is unjustifiable. While it is true that the redeeming borrower must pay a sizable premium, the "nub" of the situation is that he thus has the one-way option of exercising the privilege whenever it is advantageous to pay the prescribed premium—**and he only does so when there is such a "net" advantage.**

The Call privilege is currently defended on the ground that the borrowing is being done at a time of abnormally high interest rates, which would otherwise "stick" the borrower over a long term. Surely this argument is completely spurious! For on this premise the borrower should borrow for the short term, to bridge him over to the easier-money period—instead of demanding the unilateral *option* of determining the contract as *either* short or long term, for his, and not the lender's advantage.

Perhaps the most plausible argument advanced in defense of the Call, as by the pending Study by Messrs. Hess and Winn of the Wharton School, SEC officials et al, is that a borrower must have a reasonable interval of time to arrange for refunding or a complete payoff. But this only requires flexibility at the end of the term, not front-endedly.

The inclusion of the one-way Call option in convertible issues (of which Moody's currently lists 192 leading issues) presents the opportunity for additional abuse.

Highly important, then in weighing the significance of the Call provision, instanced in the current AT&T financing, is its indictment of the Competitive Bidding techniques. This undermines the protection of the individual investor, by preventing the conscientious investor-protecting underwriter from "winning" the issue at the auction conducted on **price** consideration.

Montreal Bond Traders Annual Dinner

MONTREAL, Que., Canada — The Montreal Bond Traders Association will hold their 32nd Annual Dinner in the Grand Salon of the Queen Elizabeth Hotel, on Friday, Dec. 11th at 7:30 p.m. Cocktails will me served in Gallery No. 1 beginning at 6:30 p.m.

John Hodge V. P. Of Walston & Co.

John G. Hodge has been elected a Vice-President of Walston & Co., Inc., 74 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges.

Victor L. Lea

Victor L. Lea, Manager of the commodity department of Paine, Webber, Jackson & Curtis, passed away suddenly Nov. 22. Mr. Lea had been a prominent member of the commodity business in Wall Street for 30 years. He was 53 years old.

For the last 26 years he lectured on Commodity Markets and Analysis at the New York Institute of Finance, and was responsible for training more people in the commodity business than anyone else in the country. He was one of the founders of the Commodity Research Bureau and the Commodity Club of New York.

Investment Sales Corp. Opens in Long Beach

LONG BEACH, Calif. — Investment Sales Corporation has been formed with offices at 110 West Ocean Boulevard to engage in a securities business. Gerald S. Adkins is associated with the firm.

With Freehling Meyerhoff

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Robert M. Saperstein has become affiliated with Freehling, Meyerhoff & Co., 120 South La Salle Street, members of the New York and Midwest Stock Exchanges. He was formerly with Daniel F. Rice and Company.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

Although new issue volume increases in the weeks ahead, the Tax Exempt Bond Market continues to do relatively well. New issues are attracting highly competitive bidding at levels that are gradually higher. Regardless of the fact that new issues are not quickly sold out in most instances, the selling performances have been rather good. Usually these issues have been about half sold and in some cases considerably better. The Commercial and Financial Chronicle's State and Municipal Bond Index is at 3.515% this week as against 3.477% last week. This would represent a decline of a little more than three-eighths of a point. In view of the drifting corporate bond market and the weakening markets for the various Treasury securities, tax exempt issues have been doing relatively better than the bond market as a whole.

The State of California and some of its subdivisions have been extensive borrowers during the past few expansive years. Yesterday Los Angeles City school districts sold $21,500,000 serial bonds at a net interest cost of about 3.89%. Despite the forthcoming $100,000,000 State of California issue scheduled for sale 12/9/59, and despite the fact that other Los Angeles units have recently been in the market, the issues were well received. About $4,000,000 is reported in account at this time. The underwriting group includes the Bank of America, First National City Bank of New York, The Chase Manhattan Bank, the Bankers Trust Company, the Harris Trust & Savings Bank, Blyth & Company and others.

Another interesting issue was purchased, and for the most part disposed of, on Tuesday. The First Boston Corporation, Halsey, Stuart & Company, Shields & Company, Kidder, Peabody & Company group was awarded $15,000,000 Salt River Project, Arizona general obligation bonds at an interest cost of 4.047%. Less than $2,775,000 was reported in account after the initial offering. Obligations of this area have been steadily gaining more investor favor during the last decade. Many of these issues have the combined security of unlimited taxing power and net revenues derived from water and or electric systems.

$10,010,000 Columbus, Ohio various serial bonds were brought to market Tuesday by the Bankers Trust Company group. Included in the underwriting were the Continental Illinois National Bank & Trust Company, The Chase Manhattan Bank, the Harris Trust & Savings Bank, Blyth & Company and others. About $4,000,000 bonds remain in account at this writing. In view of the general condition of the bond market these performances are good.

However, dealer inventory has been accumulating at a rapid rate during the last several weeks and as indicated by the Blue List, the State and Municipal item is about $322,900,000, as of Tuesday's issue. This is up from about $308,000,000 on 11/25/59 and $263,470,000 on 11/18/59. In considering the enlarging new issue calendar dealers are cautiously noting these figures, as are institutional and other investors.

Recent important additions to the new issue calendar include some high grade general market names. On 12/16/59 the Houston, Texas Independent School District plans to sell $16,934,000 serial bonds; on the following day the State of New Jersey will offer $66,800,000 serial bonds. On 12/16/59 $8,800,000 Richmond, Virginia bonds will be offered for bids. Next week's calendar includes two previously announced issues of market significance. California will offer $100,000,000 general obligation bonds on 12/9/59 and Puerto Rico will take bids on 12/8/59 for $20,000,000 general obligation serial bonds. These issues will attract much general investor interest at the present market level. The Calendar continues clean of any imminent important negotiated type issues. The level of the market precludes serious consideration of projects that portend high rates. Feasibility depends, in many instances, upon interest rates lower than presently obtain. It is reported in Florida that the development of an extension of the Florida Turnpike to the Orlando area is held in abeyance largely by the low level of the bond market. Other potential issues are thus obstructed by the tight money situation.

It would continue to appear, however, that the bond market is not likely to show much improvement in the near future. Generally good business is forecast, and Bankers acceptances and commercial paper returns have risen recently, as rates for Treasury Bills were increased again. Also other important financial and economic data indicate a period of tight money and possibly higher interest rates.

It appears that the business of buying and selling securities for tax purposes has about reached its peak for this year. Tax exchanging securities generally, began earlier this year partly due to the sell off in stocks and the accompanying capture of long term gains in many instances. The summer sell-off in bonds has provided offsetting losses. These transactions will continue through the month but in lesser volume. In the meantime there has been an active and even strong market in low coupon offerings that will be diminished in the new year.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.85%	3.70%
Connecticut (State)	3¾%	1980-1982	3.55%	3.40%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.55%	3.40%
New York (State)	3%	1978-1979	3.65%	3.50%
Pennsylvania (State)	3⅜%	1974-1975	3.25%	3.10%
Vermont (State)	3⅛%	1978-1979	3.25%	3.10%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.40%	3.25%
Los Angeles, Calif.	3¾%	1978-1980	3.90%	3.75%
Baltimore, Md.	3¼%	1980	3.75%	3.60%
Cincinnati, Ohio	3½%	1980	3.55%	3.40%
New Orleans, La.	3¼%	1979	3.85%	3.70%
Chicago, Ill.	3¼%	1977	3.95%	3.80%
New York City, N. Y.	3%	1980	4.10%	4.00%

December 2, 1959 — Index = 3.515

DOLLAR BOND QUOTES AND RELATED INFORMATION

(Prices and yields are approximate)

Issue—	First Callable Date (as a whole)	Call Price	Offering Price	Net Changes from Prev. Week	Yield to Maturity
Chelan Co., Wash. PUD No. 1 5% 7-1-2013	1-1-1978	100	110	—½	4.49%
Chicago-O'Hare Airport 4¾% 1-1-1999	1-1-1974	104¾	105¾	—¼	4.44%
Chicago Reg. Port 4% 7-1-1995	7-1-1962	103½	95½	(*)	4.24%
Florida Turnpike Authority 3¼% 4-1-1995	4-1-1962	103½	85¾	—¼	4.00%
Grant Co., Wash. PUD No. 2 3⅞% 11-1-2005	5-1-1966	103	95¾	+¼	4.06%
Illinois Toll Highway 3¾% 1-1-1995	1-1-1965	103¾	72¾	—¼	5.51%
Illinois Toll Highway 4¾% 1-1-1998	1-1-1978	104¾	90¼	—½	5.34%
Indiana Toll Highway 3½% 1-1-1994	1-1-1962	103	85½	(*)	4.32%
Jacksonville, Fla. Exp. 4¼% 7-1-1992	7-1-1967	103	105¾	+¾	3.93%
Kansas Turnpike Authority 3⅜% 10-1-1994	10-1-1962	103	73¾	—1¼	4.95%
Kentucky Turnpike Authority 3.40% 7-1-1994	7-1-1960	104	91¼	+¼	3.85%
Mackinac Bridge Authority 4% 1-1-1994	1-1-1964	108	89¼	—¾	4.62%
Maine Turnpike Authority 4% 1-1-1989	1-1-1958	104	84½	—½	5.01%
Massachusetts Turnpike Authority 3.30% 5-1-1994	5-1-1962	103½	83½	+¼	4.21%
Massachusetts Port Authority 4¾% 10-1-1998	10-1-1969	104	103¾	(*)	4.54%
New Jersey Turnpike Authority 3⅜% 7-1-1988	7-1-1958	103½	94¾	—1¼	3.67%
New York Power Authority 3.20% 1-1-1995	1-1-1963	103	85	—1	3.99%
New York Power Authority 4.20% 1-1-2006	1-1-1970	103	102¼	—⅜	4.09%
New York Thruway Authority 3.10% 7-1-1994	7-1-1960	103½	85	—1	3.89%
Ohio Turnpike Authority 3¼% 6-1-1992	6-1-1959	103	86¾	+½	3.97%
Pennsylvania Turnpike Authority 3.10% 6-1-1993	6-1-1959	103	83½	+½	3.99%
Richmond-Petersburg Turnpike 3.45% 7-1-1995	7-1-1963	103½	81½	—1	4.47%
Tri-Dam Project, Calif. 3.05% 7-1-2004	7-1-1959	104	83¼	+¼	3.83%
Virginia Toll Revenue 3% 9-1-1994	9-1-1959	105	84¾	—¼	3.78%

(*) Unchanged.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Information, where available, includes name of borrower, amount of issue, maturity scale, and hour at which bids will be opened.

December 3 (Thursday)

Los Angeles County, Calif.	13,000,000	1959-1999	9:30 a.m.
Marple-Newtown Joint School Authority, Pa.	2,110,000	1961-1965	8:00 p.m.
Massachusetts (Commonwealth of)	21,601,000	1960-1989	Noon
Willoughby-Eastlake City School District, Ohio	1,200,000	1961-1975	Noon

December 7 (Monday)

Bowling Green State University, Ohio	2,500,000	1962-1999	11:00 a.m.
Kane Co., Sch. Dist. No. 129, Ill.	1,215,000	1961-1975	7:30 p.m.
McKeesport School District, Pa.	3,800,000	1961-1989	8:00 p.m.
Tulsa County, Okla.	1,725,000	1962-1979	2:30 p.m.

December 8 (Tuesday)

[illegible], Minn.	1,000,000	1963-1982	4:00 p.m.
Delaware, Ohio	1,975,000	1961-1980	Noon
Endicott, N. Y.	1,875,000	1960-1989	3:00 p.m.
Middlesex County Sewerage Authority, N. J.	7,705,000	1967-1998	Noon
North Hempstead Union Free School District No. 6, N. Y.	1,162,000	1960-1979	2:00 p.m.
Pearl River Valley Water Supply District, Miss.	4,400,000	1964-1999	10:00 a.m.
Puerto Rico (Commonwealth of)	20,000,000	1961-1980	11:00 a.m.

December 9 (Wednesday)

California (State of)	100,000,000	1961-1985	10:00 a.m.
Chicago Board of Education, Ill.	10,000,000	1962-1979	10:00 a.m.
La Fourche Parish, La.	1,000,000	1961-1980	10:00 a.m.
Monfort Heights Local School District, Ohio	1,250,000	1960-1989	Noon
Omaha Metropolitan Utilities District, Neb.	1,500,000	1961-1965	10:30 a.m.
Wabash, Ind.	2,450,000	1962-1996	1:00 p.m.

December 10 (Thursday)

Abington Township, Pa.	1,500,000	1961-1980	7:45 p.m.
New York State Employees' Retirement System, N. Y.	17,395,000	1964-1966	1:00 p.m.
Orangetown and Clarkstown Central School Dist. No. 1, N. Y.	1,500,000	1960-1988	2:00 p.m.
Tyler Independent Sch. Dist., Tex.	1,500,000	1962-1978	7:30 p.m.
Wisconsin University Building Corporation, Wis.	5,270,000	1960-1997	10:00 a.m.

December 11 (Friday)

Board of Regents State Teachers' Colleges, Texas	1,530,000	1962-1999	9:00 a.m.
Florida Development Comm., Fla.	2,000,000	1961-1972	11:00 a.m.

December 14 (Monday)

Garland Ind. School District, Texas	1,500,000	1960-1994	7:30 p.m.
Houston Indep. Sch. Dist., Texas	16,934,000	1961-1989	2:00 p.m.
Port of Portland, Ore.	2,000,000	1960-1979	10:00 a.m.
Utah University, Utah	3,160,000	1962-1999	10:30 a.m.

December 15 (Tuesday)

Andrews Indep. Sch. Dist., Texas	2,989,000	1961-1975	2:30 p.m.
Arapahoe County S. D. No. 6, Colo.	1,750,000	1965-1968	-------
Clifton, N. J.	1,170,000	1961-1975	8:00 p.m.
Fairfield Local S. D., Ohio	1,493,000	1961-1982	Noon
La Salle County, Ottawa Township High School District No. 140, Ill.	1,800,000	1960-1979	8:00 p.m.
Los Angeles County, Calif.	2,444,000	1961-1980	9:00 a.m.
New Jersey (State of)	66,800,000	1963-1975	-------
Paw Paw School District, Mich.	1,600,000	1961-1988	8:00 p.m.
Plain Local School District, Ohio	2,550,000	1961-1980	Noon

December 16 (Wednesday)

Gary, Ind.	1,250,000	1961-1979	10:00 a.m.
Piqua, Ohio	3,450,000	1960-1974	Noon
Richmond, Va.	8,800,000	1961-1980	Noon
Robbinsdale Indep. School District No. 281, Minn.	1,050,000	1963-1990	4:00 p.m.

December 17 (Thursday)

Midland, Texas	3,110,000	-------	2:00 p.m.
North Robinson Local S. D., Ohio	1,250,000	1961-1983	7:00 p.m.

December 18 (Friday)

Perry Local School District, Ohio	1,650,000	1961-1980	Noon

December 22 (Tuesday)

Ventura Union High S. D., Calif.	4,900,000	1961-1975	11:00 a.m.

December 23 (Wednesday)

Eastwood Number Two Local S. D. Ohio	1,200,000	1961-1983	Noon

January 1 (Friday)

Chicopee, Mass.	3,000,000	1961-1980	11:00 a.m.

January 6 (Wednesday)

San Jose, Calif.	4,435,000	-------	-------

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Automation in the Office—Review—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a report on aircraft trends toward electronics.

Burnham View — Monthly Investment Letter — Burnham and Company, 15 Broad Street, New York 5, N. Y. Also available in current **Foreign Letter.**

Canadian Market — Analysis—Saunders Cameron Limited, 55 Yonge Street, Toronto 1, Ont., Canada.

Canadian Mining Stocks—Outline of most active issues including reviews of 9 gold stocks, 12 uranium stocks and 16 copper stocks.—Draper Dobie and Company Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada.

Chemical & Pharmaceutical Briefs—Bulletin—Smith, Barney & Co., 20 Broad Street, New York 5, N. Y.

Electric Industry—Analysis—Calvin Bullock Ltd., 1 Wall Street, New York 5, N. Y.

Electric Utility Industry and Commonwealth Edison—Analysis —A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available is an analysis of **Universal Oil Products.**

Foreign Exchange Quotations—Folder listing current quotations of currencies of 140 countries throughout the world, with tables showing decimals equivalents of shillings and pence, and also common fractions. — International Banking Department, Manufacturers Trust Company, 55 Broad Street, New York 15, N. Y.

Foreign Investment in the U. S. Money Market—Review—New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

Industrial Commodities—Report—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. Also available are reports on **Grains, Produce and Imported Commodities.**

Japanese Economic Conditions—Review—Sumitomo Bank Ltd., Information Department, Kitahama, Higashi-ku, Osaka, Japan.

Japanese Stock Market—Study of changes in postwar years—In current issue of "Nomura's Investors Beacon"—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is a review of the outlook for Plant and Equipment Expenditures in Japan for 1959 and brief analyses of **Mitsubishi Heavy Industries, Nippon Flour Mills Co., Iwaki Cement Co. and a survey of the Steel Industry.**

Japanese Stocks—Current Information — Yamaichi Securities Company of New York, Inc., 111 Broadway, New York 7, New York.

Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 20-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Natural Gas Industry—Summary—Scherck, Richter Company, 320 North Fourth Street, St. Louis 2, Mo.

Positive Investment Policy for 1960—Market appraisal—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Profit Situations in Smaller Companies — $15 per quarter, $50 per year for semi-monthly publication—current issue (containing reports on Perkin-Elmer and National Western Life Insurance Company) available on request.—Investment Associates, P. O. Box 14, Hillsdale, N. J.

Railway Equipment Situation — Report — Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are comparative figures on large **Electric Power and Light Companies.**

Selected Issues—Stocks which appear attractive in various categories in the current issue of "Pocket Guide"—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Tunnel Diodes—Review—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are memoranda on **ABC Vending Corp.** and **Bristol-Myers Co.**

Wall Street 20th Century — A symposium of articles on the nature and operations of the financial world written in layman's language—$2.00 per copy—Wall Street/20th Century, 30 East End Avenue, New York 28, N. Y.

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Academy Life Insurance Company—Analysis—Boettcher and Company, 105 East Pikes Peak Avenue Colorado Springs, Colo.

Allied Stores Corporation—Analysis—Edwards & Hanly, 100 North Franklin Street, Hempstead, N. Y.

Canadian National Railway Company — Circular — Cochran, Murray & Co., Limited, Dominion Bank Bldg., Toronto, Ont., Canada.

Chicago & Northwestern Railroad—Review—David A. Noyes & Company, 208 South La Salle Street, Chicago 4, Ill.

Cluett, Peabody & Co.—Memorandum—Hill Darlington & Co., 40 Wall Street, New York, N. Y.

Commonwealth of Puerto Rico — Special report — Government Development Bank for Puerto Rico, San Juan, Puerto Rico.

Fiat-American Depositary Receipts—Circular—Burnham and Company, 15 Broad Street, New York 5, N. Y.

Florida Palm-Aire Corporation — Analysis — Hardy & Co., 30 Broad Street, New York 4, N. Y.

Walter E. Heller & Company—Analysis—Jesup & Lamont, 26 Broadway, New York 4, N. Y.

Heublein, Inc. — Analysis — Hill Richards & Co., 621 South Spring Street, Los Angeles 14, Calif.

Interprovincial Pipe Line Company — Analysis — McLeod, Young, Weir & Company, Limited, 50 King Street, West, Toronto, Canada.

Jones & Laughlin Steel Corporation—Analysis—Hornblower & Weeks, 40 Wall Street, New York 5, N. Y.

Loral Electronics—Discussion in December Investment Letter Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. In the same issue are reviews of **Burroughs Corp., Singer Corp., Cluett, Peabody, Servel, Inc.** and the **Retail Outlook.** Also available is a bulletin on **Lerner Stores.**

R. H. Macy & Co.—Memorandum—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y.

Masachusetts Bonding and Insurance Company—Analysis—Blair & Co., Incorporated, 20 Broad Street, New York 5, N. Y. Also available is a memorandum on **Warner & Swasey Co.**

Middle South Utilities—Review—Robert W. Baird & Co., 110 East Wisconsin Avenue, Milwaukee 1, Wis. Also in the same circular are reviews of **Westinghouse Electric, Coastal States Gas Producing** and **Consolidated Foods.**

Paramount Pictures Corp.—Memorandum—H. Hentz & Co., 72 Wall Street, New York 5, N. Y.

Pittsburgh Plate Glass Co.—Memorandum—Orvis Brothers & Co., 15 Broad Street, New York 5, N. Y.

Puerto Rico Telephone Company—Analysis—Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available is a report on **Martin Co.**

Purex Corporation, Ltd.—Analytical Brochure—Blyth & Co., Inc., 14 Wall Street, New York 5, N. Y.

Rural High School District 191, Sedgwick County, Kans.—Circular — Davidson-Vink-Sadler, Inc., Beacon Building, Wichita 2, Kans.

Singer Manufacturing Company—Analysis—Gruntal & Co., 50 Broadway, New York 4, N. Y.

Sperry Rand Corporation—Analysis—Parrish & Co., 40 Wall Street, New York 5, N. Y.

Standard Packaging Corporation — Bulletin — Schweickart & Co., 29 Broadway, New York 6, N. Y.

Standard Pressed Steel Co.—Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

Sta-Rite Products Inc. — Analysis — Loewi & Co. Incorporated, 225 East Mason Street, Milwaukee 2, Wis. Also in the same review is an analysis of **Time Incorporated.**

J. P. Stevens & Co.—Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y.

Varian Associates—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

COMING EVENTS

IN INVESTMENT FIELD

Dec. 11, 1959 (Montreal, Canada)
Montreal Bond Traders Association 32nd Annual Dinner at the Grand Salon of the Queen Elizabeth Hotel.

Dec. 15, 1959 (New York City)
Investment Association of New York Ninth Annual Dinner at Starlight Roof, Waldorf-Astoria.

Jan. 15, 1960 (Baltimore, Md.)
Baltimore Security Traders Association 25th annual Mid-Winter Dinner.

April 6-7-8, 1960 (Dallas, Tex.)
Texas Group of Investment Bankers Association of America 25th annual meeting at the Sheraton Dallas.

(April 8, 1960 (New York City)
New York Security Dealers Association 34th annual dinner in the Grand Ballroom of the Hotel Biltmore.

Robert W. Baird Adds

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis.—Michael R. Byrns is now connected with Robert W. Baird & Co., Incorporated, 110 East Wisconsin Ave. He was formerly with Braun, Monroe & Co.

Form Huntley Corp.

LITTLE ROCK, Ark.—The Huntley Corporation has been formed with offices at 115 Louisiana St. to engage in a securities business. Officers are Billy J. Huntley, President, and Robert L. Murrell, Secretary-Treasurer.

Jacey Securities Opens

REGO PARK, N. Y.—Joseph Constantino is engaging in a securities business from offices at 98-20 Sixty-second Drive under the firm name of Jacey Securities Co.

Form Morrison Inv.

DETROIT, Mich. — Abraham I. Morrison is conducting a securities business from offices at 12730 Puritan. Under the firm name of Morrison Investment Securities.

Boro-Hall Investors

BROOKLYN, N. Y. — Boro-Hall Investors Growth, Inc. has been formed with offices at 26 Court Street to conduct a securities business. Seymour Levy is a principal of the firm.

S. A. Lapierre Opens

TACOMA, Wash.—S. A. Lapierre is engaging in a securities business from offices at 10220 Laurel Crest Lane, Southwest.

Dempsey-Tegeler Branch

WESTWOOD, Calif. — Dempsey-Tegeler & Company has opened a branch office at 1061 Broxton Avenue under the direction of Peter Olmstead.

Economic Planning Branch

ASBURY PARK, N. J.—Economic Planning Corp. has opened a branch office at 710 Mattison Avenue, under the management of Joseph Eitman.

With Merrill Lynch

(Special to THE FINANCIAL CHRONICLE)

ATLANTA, Ga. — Eddie H. Irvin has joined the staff of Merrill Lynch, Pierce, Fenner & Smith Incorporated, 23 Pryor Street, Northeast. He was formerly with the Citizens & Southern National Bank.

Hanover Bank's Letter Opposes Gold Devaluation Panacea

Surveying the role gold still plays and the increased tempo of arguments to devalue gold further, Dr. Nadler advises keeping the rate fixed so as to force fiscal and monetary discipline. He particularly warns against renewing pernicious inflation psychology all over the Free World, and emphasizes that our trade deficit is rectifiable.

There is no need to increase the price of gold, according to Dr. Marcus Nadler, consulting economist to The Hanover Bank.


Marcus Nadler

In a report on "The Price of Gold," published by Hanover, the economist weighs the pros and cons of a boost in the price of the precious metal, set at $35 an ounce in 1934.

Those who favor an increase argue that a higher price is needed to increase international liquidity and to spur output of the metal, Dr. Nadler states.

They further point out that the U. S., principal opponent of a higher price of gold, may be forced by its trade deficit to join other nations in an agreement for a general increase, he continues.

The opponents of an increase contend that there is no need to increase international liquidity by "artificial measures," Dr. Nadler reports.

The only serious lack of liquidity is among the underdeveloped countries who, because of their small gold holdings, would benefit little from an increase in the price, he says.

A higher price would undoubtedly spur gold production, but here again it is questionable how much this would contribute to an increase in international trade or toward helping the underdeveloped countries, the economist writes.

Trade Deficit Is Rectifiable

As far as the U. S. trade balance is concerned, Dr. Nadler emphasizes that the trade deficit could be easily rectified by Congressional action.

The fact that the Reserve authorities in formulating credit policy can no longer disregard international movements of funds and gold is on the whole desirable, he says.

This imposes on Congress and the Administration the obligation to practice fiscal and monetary discipline which will protect the integrity of the dollar at home and abroad, the economist points out.

In a capsule summary of world economic conditions, Dr. Nadler notes the progress made in restraining the inflationary forces.

"The balance of payments of the industrial nations has improved to a point where most of the foreign trade and payment restrictions have been removed and their currencies returned to limited convertibility," he reports.

At this point, the economist warns, we should avoid any "experiments" which would not help the underdeveloped nations and which could renew the "pernicious inflation psychology" throughout the Free World.

The following four points sum up Dr. Nadler's views on the subject:

Summing Up

"**(1) Prior to World War I the leading countries of the world were on the gold coin standard.** So well did the gold standard serve the economies of the various nations that most of them struggled after the war to return to it, though in a somewhat modified form.

"But the conditions which made the operation of the gold standard eminently successful were destroyed during the war and never returned. With the depression of the 30's, one century after another abandoned the standard and a period of currency devaluations set in. This trend continued after World War II and culminated in the widespread devaluation in 1949.

"Since that time the price of gold in most countries has remained stable. The U. S., however, has maintained the price of gold at $35 an ounce since 1934. In more recent years, many countries have demanded an increase, giving various reasons why such a move is desirable. The U. S. has the largest stock of monetary gold and, for all practical purposes, determines the price of gold by its willingness and ability to buy and sell gold at the fixed price of $35 an ounce. This country was and is opposed to any change in the dollar price of the precious metal.

"**(2) The argument in favor of a general increase in the price of gold is based on three factors—the need to spur the output of the yellow metal, to provide the central banks with a larger metallic reserve against their demand liabilities, and to increase international liquidity.** An increase in international liquidity is desirable, but a rise in the price of gold would be of little help to the less developed countries. These countries possess small gold holdings and are not important gold producers.

"**(3) The changed international financial position of the U. S. and the fact that Reserve credit policies from now on will have to be guided by domestic and international considerations are presented as additional arguments for raising the gold price.** In the future, whenever business activity declines the monetary authorities may be confronted with a dilemma. If they take steps to increase the availability of credit and to lower interest rates, such action may cause a material outflow of gold. This could undermine confidence in the dollar.

"On the other hand, if they keep money rates high, the authorities will not be able to combat the recession and rising unemployment. The fact that the Reserve authorities in formulating credit policies can no longer disregard international reaction is on the whole desirable. It imposes on Congress and the Administration the obligation to practice fiscal and monetary discipline which will protect the integrity of the dollar at home and abroad.

"**(4) The great economic, political and social changes that have occurred in the first half of this century have had ap ronounced effect on the central banks and on their monetary and credit policies.**

"Slow and gradual progress has been made in restraining the inflationary forces. The balance of payments of the industrial nations has improved to a point where most of the foreign trade and payment restrictions have been removed and their currencies returned to limited convertibility.

"These impressive results were achieved through hard work and financial assistance from the U. S. Government. It would seem desirable at this point in the economic development of most countries to avoid initiating experiments which would not help the underdeveloped nations and which could renew the pernicious inflation psychology all over the Free World."

Commonwealth Funds Name D. L. Fletcher

SAN FRANCISCO, Calif.—David L. Fletcher was elected secretary of the Commonwealth group of mutual funds at the meetings of directors Dec. 1. He also was elected secretary of North American Securities Co., Russ Building, investment manager and general distributor of the funds, and of North American Investment Corp.

Mr. Fletcher is an attorney formerly associated with the law firm of Hardy, Carley, Thompson and Love in Palo Alto, Calif.

Donald Stroud With Cruttenden, Podesta

Donald C. Stroud has become associated with the New York office of Cruttenden, Podesta & Co., 37 Wall Street, New York City, as Syndicate Manager in the Municipal Bond Department. Mr. Stroud was formerly Manager of the Municipal Bond Department of McDonnell & Co. Incorporated and prior thereto was an officer of Union Securities Corporation.


Donald C. Stroud

Hugh Long Co. Elects Angle V. P.

ELIZABETH, N. J. — Walter L. Angle, Jr. has been elected a regional Vice-President of Hugh W. Long & Company, Inc. He represents the company in Delaware, southern New Jersey, Ohio and Pennsylvania in association with regional Vice-President Arthur M. Hoagland. Mr. Angle has served as a regional representative with the firm since 1955.

When Our Trade Policies Imperil Our Investments

By A. E. Grauer,* *Chairman and President, British Columbia Electric Co., Ltd., Vancouver, Canada*

Americans are "stuck" with their big investments in Canada unless we purchase more and more goods and services to support the outflow of interest and dividends occasioned by those investments. Warning, in addition to this, our trade policy runs the danger of forcing a drastic change in his country's trade and defense policies that will weaken, rather than strengthen the over-all North American situation, Mr. Grauer pleads we give Canada an opportunity to export manufactured and processed goods based on her competitive advantages in natural resources and abundant energy. The Canadian utility head suggests as another area for mutually beneficial cooperation allowing a corridor through the Alaskan Panhandle to the Pacific Ocean. Also, he lists the facts in our economic relationship and hopes we will continue our enlightened and internationally-minded trade policy so that we would all be gainers, despite the efforts of a few pressure groups.

The United States of America and Canada have long been proud of their four thousand miles of undefended frontier — an unique situation in the world.

A. E. Grauer

This happy result grew from the favorable soil of largely similar racial stock, common language and religion, like political and legal institutions and the shared psychological conditioning of the conquest of the New World wilderness. This same set of circumstances tended to produce similar habits, tastes and aims.

It was inevitable, therefore, that these two countries should become unusually inter-dependent in trade and investment. Before trying to make some estimate of the current problems and prospects in this area, let me briefly review the basic facts in our economic relationship.

Affecting the whole situation is the inescapable truth, for better or for worse, that the United States is so much bigger and more powerful economically than Canada. Its population is 10 times as large as Canada's and its national income 15 times as large.

The United States now has over 50% of the industrial capacity of the Western World. Western Germany has about 10%, Great Britain somewhat less than 10%, while Canada divides the remaining 30% or so with the other Western European countries, Japan and Australia.

It is not surprising, therefore, that United States investments in Canada are very much bigger than Canadian investments in the United States, or that they dominate outside investment in Canada. Since 1900, United States investments in Canada have risen steadily from 14% of total outside capital in our country to about 75% today.

United States investments in Canada are now (1959) approximately $14 billion, which is nearly 40% of all their investment abroad. It is getting on towards $1,000 for every man, woman and child in our country—a situation that it would be hard for Americans to conceive of in reverse.

There is no doubt, then, that Canada has represented the safest and one of the most lucrative fields for placing United States savings abroad. The scale of these savings — flowing, as they have, overwhelmingly to ownership of Canadian resources through equity stocks rather than into fixed interest securities—not unnaturally creates problems for Canada, the working out of which requires a degree of economic diplomacy and statesmanship on the part of their businessmen and their Government higher than is perhaps recognized in some quarters in their country.

Another basic fact in trade relationships between Canada and the United States is that each is the other's best customer, but, in relation to the size of its economy, the United States has a much smaller stake in foreign trade than has Canada.

Canada's purchases from the United States represent about 23% of all your exports; for the first half of 1959, the dollar figure was close to 2,000 millions. Canada buys more of your goods than do all the Latin American countries combined.

During the first half of 1959, we supplied 19% of all their imports, a figure down somewhat from the 22% we supplied in 1958.

Commodity imports and exports each account for about 16% of Canada's gross national product, a percentage which is about four times the corresponding figures for the United States.

The United States is thus much less vulnerable to changes in international trade policy than Canada (as one would expect from your huge internal market), and Canada's continuing prosperity is considerably more dependent upon a sustained flow of trade than is the prosperity of the United States. These considerations underline the crucial importance to Canadians of changes in the United States tariff, a fact that has not always been appreciated in that country.

Historically, the United States tariff has been a leading influence on the pattern of Canadian industrial production. When, for example, it granted free entry to Canadian newsprint in 1911 and to wood pulp in 1913, it established these aspects of forest products as basic Canadian industries. By contrast, the United States tariff on fine papers has kept that forest-based industry in Canada a small one.

Canadian exports to the United States are predominantly founded in natural resources—for example, minerals and metals, forest products, natural gas—and agricultural products, notably meat and cattle. About 60% of Canada's exports now go to the United States.

U. S. A. exports to Canada, on the other hand, range over a much wider area, from citrus fruits and out-of-season vegetables to coal and cotton textiles, but they are chiefly composed of machinery and equipment, consumer durables and miscellaneous manufactured consumer goods. They formed about 70% of Canada's total imports in 1958, and are on an ascending trend.

It is clear that a good deal of the investment that goes into Canada is represented by dollars that are spent in the United States for plant and equipment, and for the services of contractors, consultants and others. Thus, the United States gets a two-way play on her investment in Canada: not only a flow of later dividends and interest, but an immediate large market for her manufactures and services.

Economic and Strategic Importance

A more recent, though basic, aspect of Canadian-American relations is Canada's strategic importance for North American defense. It is essential from this point of view that Canada be permitted to develop and maintain sound economic health.

Canada is thus vital to the United States in fundamental ways—as a field of investment, as a customer, and as a factor in defense.

Raises Fundamental Question

There is the background for a question I am now going to put, the discussion of which is my central theme. What are the possibilities of broadening United States-Canadian trade so as to strengthen Canada's economy by making her less exclusively dependent on exporting natural resources, and by putting into better balance her increasingly deficit trade position, while at the same time improving the position of the United States?

This is a question which will increasingly come to the fore on purely economic grounds, quite aside from defense, because the only way that Americans can benefit in the future from their huge investment in Canada is through purchasing more and more Canadian goods and services. This is a key fact. In a manner of speaking, the Americans are **stuck** with their big investment in Canada, and must, if only for their own sakes, adopt foreign trade policies that will keep our trade in a sufficient balance to support the outflow of interest and dividends occasioned by their investment.

When one looks at trade between our countries in a broad way, it seems to me that certain important conclusions can immediately be reached.

It appears clear that Canada cannot successfully compete with the United States in most lines of secondary manufacturing. With its very much larger internal market, American manufacturers can get the economies of large volume production and specialized runs. To drive home Canada's competitive disadvantage in manufactures, let me quote a conclusion of the Royal Commission on Canada's Economic Prospects, reporting in November 1957. "Small volume and less specialized production", the Commission found, "are the main reasons why output per man hour in Canadian secondary industry is some 35% to 40% below that of the United States".[1]

The United States, therefore, need not fear competition from Canada in secondary industries, (as she may from many other countries), and can look forward to a continuing big market in Canada for this generality of her products. Because of the close similarity of tastes in the two countries and of demands created by advertising, the same is true of many types of consumers' goods and of services, in all of which the United States has inherent advantages in the Canadian market.

What Canada Should Manufacture

In the face of these formidable disadvantages, where is Canada to expand her area of trade with the United States so that she does not eventually find herself with a trade deficit too large to handle? The obvious sector is in the processing of her natural resources before export, and in manufacturing for export based on her resource industries and her plentiful energy. This is the area where Canada has inherent competitive advantages.

This would mean such things as more extensive Canadian manufacturing of uranium, titanium, nickel and copper products, aluminum, asbestos and gypsum products, synthetic fibres, certain electro-chemicals and petrochemicals, synthetic rubber, and lead, zinc and brass products—all of which are based on Canadian natural resources, including energy, i.e. hydro-electricity, natural gas and oil. It would mean too, the processing, or further processing before export, of such things as fish, beef, crude oil, potash, sulphur and wood pulps.

If this sounds like quite an area, remember that United States investors presently control Canada's motor vehicles and parts industry to the extent of 98%; rubber, 88%; oil and gas, 75%; electrical apparatus, 68%; mining, 65%; chemicals, 60%; pulp and paper, 50%; and remember also the degree to which all these industries use United States plant equipment and services.

Consider too, that Canada's imbalance of trade with the United States for the first six months of 1959 is considerably worse than for the same period of 1958, or at the rate of about $1½ billion per year, and that this deficit position seems to be spread over all categories of non-merchandise as well as merchandise trade. Some American statesmen and analysts have recently expressed deep concern about the overall United States trade imbalance of about $4 billion. If they had an equivalent deficit in terms of the United States gross national product, it would be over $22 billion per year. This will help indicate the anxiety of Canadians.

As might be expected from such huge investment in Canada, by far the biggest imbalance of payments of any classification, and a steadily increasing one, is in "interest and dividends." Here, in 1957, the last available complete year, Canada's payments to the United States were $486 million and her receipts only $91 million, leaving her an imbalance on the interest and dividends account of $395 million.

This big deficit in payments will undoubtedly get very much larger in the future. Why? Mainly because so much of the earnings of United States-controlled companies in Canada has so far been plowed back into expansion and exploration. These facts underline the point: that American citizens will ultimately be able to enjoy the fruits of their large and increasing investment in Canada **only** if the United States permits and encourages bigger purchases of goods and services from Canada.

The most efficient and economic way of doing this, from the point of view of both countries, would be to reverse a leading historic principle of the United States tariff that tends to keep Canadians from the manufacturing and processing industries they should be best at—namely, those based on their country's natural resources and abundant energy. The tariff principle I refer to provides for entry into the United States free or at very low rates of duty, of industrial materials in their raw form or in an early stage of processing, and imposes progressively higher rates on goods at a more advanced stage of manufacture. The enforcement of this principle has largely kept Canada out of the manufacturing stages of industries where she would otherwise have competitive advantages.

This policy seems no longer realistic. It inhibits Canadian economic growth in the very area where one would expect it to

Continued on page 28

(1) Final Report, Royal Commission on Canada's Economic Prospects, November 1957, Queen's Printer, Ottawa, Canada. P. 239.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

The Chase Manhattan Bank, New York has appointed Eugene B. Mapel, Vice-President, it was announced Nov. 30 by George Champion, President. Mr. Mapel will be in charge of the marketing services of the planning and development department.

Mr. Mapel has served in that capacity as advisor to Chase Manhattan since 1957.

The Bank also announced the appointment of James C. Donan as an Assistant Treasurer in the metropolitan department.

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Appointment of Henri Z. Lake as Vice-President in Charge of the Personal Trust Department of **Manufacturers Trust Company, New York,** was announced by Horace C. Flanigan, Chairman of the Board. Mr. Lake succeeds Wilfred Wottrich, Vice-President, who has resigned to become Chairman of the Board and Chief Executive Officer of the **Lincoln Savings Bank of Brooklyn, N. Y.,** as of Dec. 1.

Mr. Lake joined the **Chatham-Phenix Bank, New York,** and came to Manufacturers Trust Company through the merger of that institution in 1932.

It was also announced that Thomas W. Heslin, Vice-President, Personal Trust Department, would take over the duties as officer in charge of Estate and Trust Administration heretofore assigned to Mr. Lake. Mr. Heslin joined Manufacturers Trust Company in 1947.

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Mr. Flanigan also announced the appointment of F. Robert Bennett as an Assistant Vice-President.

Mr. Bennett joined Manufacturers Trust in 1943 and in 1955 was appointed an Assistant Secretary. He is a Regional Operations Officer in the bank's Branch Administration Department.

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The Hanover Bank, New York announced the appointment of 14 new officers.

Named Assistant Secretaries were: Edward C. Anther, correspondent bank investment; M. Grant Crull, credit; H. Leland Getz, out-of-town division; Henry J. Langworthy, personal trust administration; Miss Ruth E. Leiman, 42nd Street office; Miss Marjorie A. Lindeman, Plaza office; Neal M. McMenamin, public relations; Donald E. Paul, out-of-town division; and Richard M. Ross, Jr., personal trust investment.

Appointed Assistant Treasurers were: Fred E. Barnes, stock transfer; Thomas J. Dillon, personal trust estate administration; and Edward W. Goodwin, Church St. office.

Named Assistant Managers in the foreign division were George Pastre and Walter H. Wightman.

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John E. Crane, was appointed a Vice-President Dec. 2 by **First National City Trust Company, New York,** where he will be in direct charge of the Investment Research Department.

Mr. Crane started his business career with **The First National City Bank of New York** in 1940.

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The **Atlantic Bank of New York, New York,** announced the election of Mr. Frederick Hartman, to President and Chief Executive officer of the Bank. Mr. Hartman, was a former Vice-President, of **Irving Trust Co.,** for 28 years.

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Ralph S. Stillman, President of the **Grace National Bank of New York,** announced Nov. 30 the election of Harvey V. Delapena and Luis Aguirre Edwards to the rank of Senior Vice-President. Both had previously held the title of Vice-President.

Mr. Stillman also made known the election of three Vice-Presidents, four Trust Officers and two Assistant Cashiers.

Mr. Delapena has been associated with the Grace National Bank for 35 years. A Director, he heads the Bank's Business Development Department.

Mr. Aguirre Edwards directs the Bank's Foreign Department. Also a Director, he joined the Grace National Bank in 1924.

Officers promoted from Assistant Vice-President to Vice-President are Henry E. Bergmann and Albert C. Vernon, both members of the Foreign Department, and Robert J. Kurau, a loan officer.

James Harper, Jr., Edward J. Jubon, Garet O. Penhale, and Charles F. Robbins, Jr., were raised from the rank of Assistant Trust Officer to Trust Officer.

Charles V. Parl and Jack A. Vogel were named Assistant Cashiers.

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The Directors of **J. Henry Schroder Banking Corporation, New York** and **Schroder Trust Company, New York,** announced the election of William J. Bethune and Howard L. H. Gordon as Vice-Presidents. At the same time, Karl H. Streeck and Charles J. Woodard were promoted to Assistant Vice-President while Howard J. Russell was named Assistant Secretary and Henry W. Wieser, Assistant Treasurer.

Mr. Bethune joined the Schroder Banks in 1946 and is attached to the Latin American Division. Mr. Gordon has been active in the Investment Department since 1946 and is presently in charge of the supervision of trust and investment management portfolios for the two Banks.

* * *

A consolidation of the **Western Pennsylvania National Bank, McKeesport, Pa.,** with common stock of $5,550,000 with and into **Hill Top Bank, Pittsburgh, Pa.,** with common stock of $200,000 was approved by the Comptroller of the Currency, effective as of Nov. 14, under the charter and title of Western Pennsylvania National Bank, McKeesport. (Number of shares outstanding 587,000 par value $10 each.)

* * *

The Montgomery County Bank and Trust Company, Norristown, Pa., announced on Dec. 1, the retirement of Mr. J. Warren Ziegler, Senior Vice-President of the Bank. Mr. Ziegler began his banking career 43 years ago as a messenger for the **Old Penn Trust Company** on May 31, 1916. Through the years, he rose to Vice-President and Treasurer of the **Norristown Penn Trust Company,** Treasurer of Montgomery County Bank and Trust Company, and Vice-President of Montgomery County Bank and Trust Company. Mr. Ziegler was named Vice-President of Montgomery County Bank and Trust Company last October.

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The common capital stock of the **Hazelton National Bank, Hazelton, Pa.** was increased from $500,000 to $750,000 by a stock dividend effective as of Nov. 16. (Number of shares outstanding 7,500 shares par value $100).

The common capital stock of the **First National Bank of Leechburg, Pa.,** was increased by a stock dividend from $125,000 to $250,000 and by the sale of new stock from $250,000 to $275,000. (Number of shares outstanding 13,750 par value $20 each).

* * *

By a stock dividend, the **First National Bank of Barnesville, Ohio** increased its common capital stock from $200,000 to $240,000 and by the sale of new stock from $240,000 to $300,000 effective as of Nov. 17. (Number of shares outstanding 15,000 par value $20 each).

* * *

Announcement of the opening of the New Asbury Park office, located at 16301 W. Eight Mile Road, of **The Michigan Bank, Detroit, Mich.,** on Dec. 3 is made by John C. Hay, President.

Gerard C. Reaume has been named manager of the new office.

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The Omaha National Bank, Omaha, Nebraska increased its common capital stock by a stock dividend, from $6,000,000 to $7,000,000. Effective as of Nov. 16. (Number of shares outstanding 350,000 par value $20 each).

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The Board of Directors of the **Mercantile Bank & Trust Company, Kansas City, Mo.** on Nov. 10 announced the election of Mr. James L. Rieger as President and Mr. Nathan Rieger, Chairman of the Board.

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By the sale of new stock the **Manatee National Bank of Bradenton, Fla.,** increased its common capital stock from $600,000 to $750,000. Effective Nov. 17. (Number of shares outstanding 75,000, par value $10.)

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The announcement of the plans for the merger of the **American Trust Company** and **Wells Fargo Bank, San Francisco, Calif.,** was made by the Directors of the forementioned Banks. The merger proposal must be approved by the stockholders of the two banks and by state and Federal supervisory authorities. The Title of the merged banks will be **Wells Fargo Bank-American Trust Company.** Mr. Harris C. Kirk, Chairman of the Board and chief Executive Officer of the **American Trust Company,** will become Chairman of the Board, and Chief Executive Officer. Mr. I. W. Hellman, President of **Wells Fargo** will become Vice Chairman of the Board. Mr. Ransom M. Cook, President of **American Trust** will become President of the new Bank.

NSTA NOTES

BALTIMORE SECURITY TRADERS ASSOCIATION

The Baltimore Security Traders Association will hold their 25th annual Mid-Winter Dinner on Friday, Jan. 15, 1960.

John C. Yeager, Baker, Watts & Co., is Chairman of the Entertainment Committee.

THE SECURITY TRADERS ASSOCIATION OF NEW YORK, INC.

The Annual Meeting of The Security Traders Association of New York, Inc., will be held on Friday evening, Dec. 4, 1959, at the Bankers Club, 120 Broadway, New York City.

The business scheduled for this meeting is the election of the candidates to hold office in 1960 as presented by the Nominating Committee, and the voting of certain amendments to the STANY By-Laws and submitted by the By-Laws Committee.

The polls will be open from 4:00 to 5:30 p.m. and the Annual Meeting will convene at 5:15 p.m.

At the conclusion of the meeting, a Cocktail Hour will be held and, even though Associate Members may not vote, we would greatly appreciate their attendance at this meeting.

The Candidates are:

President—Barney Nieman, Carl Marks & Co., Inc.
First Vice-President—John S. Barker, Lee Higginson Corp.
Second Vice-President—Elbridge H. Smith, Stryker & Brown.
Secretary—Salvatore J. Rappa, Mergott, Rappa & Co., Inc.
Treasurer—Wilbur Krisam, John C. Legg & Company.

Directors (Two-Year Term): Joseph D. Krasowich, Gregory & Sons; Alfred F. Tisch, Fitzgerald & Company; Edwin J. Markham, Wertheim & Co.; Joseph C. Eagan, Frank C. Masterson & Co.

Trustees of Gratuity Fund (Two-Year Term): Raymond C. Forbes, Shearson, Hammill & Co.; Murray L. Barysh, Ernst & Co.

National Committeemen: Stanley L. Roggenburg, Roggenburg & Co.; Michael J. Heaney, Michael J. Heaney & Co.; Samuel F. Colwell, W. E. Hutton & Co.

National Committeemen Alternates: Thomas Greenberg, C. E. Unterberg, Towbin Co.; James V. Torpie, Torpie & Saltzman; Joseph R. Dorsey, Bache & Co.; Robert M. Topol, Greene & Company; Walter F. Saunders, The Dominion Securities Corporation.

Nominating Committee (Four members to be elected): Joseph H. Billings, Cowen & Co.; T. Frank Mackessy, Abbott, Proctor & Paine; Joseph Mathes, Ira Haupt & Co.; William D. O'Connor, Shelby Cullom Davis & Co.; William M. Doherty, Fahnestock & Co.; Joseph E. North, Dreyfus & Co.; Nathan A. Krumholz, Ogden Wechsler & Krumholz; John M. Mayer, Merrill Lynch, Pierce, Fenner & Smith Inc.; D. Raymond Kenney, D. Raymond Kenney & Co.; Edward A. Zinna, Smith, Barney & Co.; G. Harold Noke, Francis I. du Pont & Co.; Sidney Jacobs, Sidney Jacobs Co.; Thomas A. Larkin, Goodbody & Co.; Edmund A. Whiting, Carl M. Loeb, Rhoades & Co.; Joseph F. Conlon, Jr., J. H. Crang & Co.

Named Director

Jon B. Lovelace, Jr., Vice-President of American Mutual Fund, Los Angeles, has been elected a Director of that corporation. Mr. Lovelace is a Vice-President and Director of American Mutual Fund's investment adviser, Capital Research and Management Co. He is also President and a Director of the latter's research subsidiary, Capital Research Co.

Irving & Nelson Schiff Join Gruntal & Co.

Irving Schiff and Nelson R. Schiff are now associated with Gruntal & Co., 50 Broadway, New York City, members of the New York and American Stock Exchanges, it has been announced. They were both formerly with Schiff, Teller & Brown, of which Mr. Irving Schiff was a Partner.

The Immediate Future and The Longer Term Outlook

Continued from page 3

clothing. A sustainable demand in 1970 for about two million housing starts and 8 to 10 million automobiles annually is not hard to visualize.

The picture I have drawn of our economy for 1970 is indeed a rosy one. Yet this is no pie in the sky picture. The numbers are well within the capabilities of our economy. They are in fact based on fairly conservative assumptions Although we believe that the long-range plans of American business should be laid on the basis of an economy no less than I have pictured for 1970, there can be no assurance that it will come out that way automatically regardless of public and private policies that may be pursued. One must assume a climate conducive to a smooth working free private competitive system with the continuance of reasonable incentives for consumers, labor and business to invest, spend and save. This is particularly important since our studies lead us to the conclusion that overall growth potential in the first half of the coming decade may be somewhat less than that of the decade just ending.

Why? History clearly indicates that while wars, preparations for wars and postwar settlements have been by far the most unstabilizing factors in our economy during the last half century they have also been forces for economic expansion. The first six or seven years of the decade now about to end were stimulated by accumulated unfulfilled demands resulting from World War II as well as the Korean conflict. Assuming and praying for no further armed conflict our economy in the coming decade will not have these stimulants.

Sees No Straight Line

As we achieve the growth I have indicated it is highly unlikely that we will do it by running smoothly along a straight line drawn from where we are now to where we are going to be in 1970. It is true that in each decade of this century we have registered economic growth, some more than others, but always a net gain over any ten-year period. But the net gain in each decade has always materialized out of a series of fits and starts—never in a straight line. There is no such thing as a long-term straight line growth in the United States. We seem to have tamed the business cycle with so-called built-in stabilizers but we have by no means eliminated it as an important influence on our economic lives. For example, the higher than average growth rate achieved by our economy during the past ten years materialized out of a series of ups and downs. The years 1949, 1954 and 1958 saw industrial production from 6 to 7% below the previous year. In the period 1949-1953 it rose 38% and from 1954 to 1956 it rose 14.4%. In this manner a ten-year gain of 54% averaging about 5½% a year was developed. This is an above average gain in terms of the past 60 years but the somewhat irregular manner in which it developed is quite typical. Every ten-year span in our economic history of this century has witnessed one or more interruptions to forward progress. It would indeed be a surprising development if the sixties were not similarly affected. We think that they will be but we also believe that the economy I have pictured as probable for 1970 will be exceeded by our actual achievement.

Now let's turn from the long run point of view to the problems facing us in the immediate future. What is likely to happen to business activity in the year immediately ahead?

Immediate Future's Problems

During the past year our economy has again demonstrated its capacity for vigorous growth. After a setback which began in the Fall of 1957, economic activity rebounded sharply toward the middle of 1958. By the summer of this year widespread advances had carried our economy well beyond the crest of the 1954-57 rising cycle. The most comprehensive measure of economic activity is the gross national product—that is the dollar value of the nation's total output of commodities and services. In the second quarter of 1958 our national product was at an annual rate of $435 billion. A year later it was $484 billion, or about 11% larger. At present it is slightly below that level reflecting the retarding effect of the steel strike. This effect will continue to be felt for several weeks to come until steel reaches consumers, more and more of whom are running out of inventory. Most of them cannot hope to get more until sometime in December assuming an immediate strike settlement. Thus after a year of substantial economic gains up to June 30, our economy has experienced an unfavorable impact from the prolonged steel strike. We are asked: Will the previous rate of forward momentum be resumed post-strike? There is concern about the gold outflow, the steel strike, other pending strikes, foreign competition, the high cost of money, our diminishing favorable trade balance, threat of reduced defense expenditures, the decline in farm income, housing starts and the stock market. We have indeed had a formidable series of questions to contend with during the last half of this year. That they have had an adverse effect on confidence is apparent. The important question for 1960: has the previous expanding cycle come to an early end or will it resume and run the three- to four-year course of its post World War II predecessors before its real ending? We are inclined to think it will resume but the question as to its probable duration can be deferred to about a year from now. Our economy will then be operating at record high levels and the 1961 picture can be seen more clearly.

Let us now take a closer look at what is in store for our economy in the year ahead. During most, if not all, of the first six months of 1960 the steel production rate will be back to peak levels to supply both a high rate of demand as well as to rebuild depleted inventories to a reasonable level in relation to sales. We are inclined to the belief that a great deal of what is not being produced and sold during the last half of this year will wash over to the first half of 1960. This, plus demands which would normally be present at that time, will generate a higher level of economic activity during the first half of 1960 than would have been the case if the retarding effect of the steel strike had not been with us in recent months. Our detailed analyses lead us to the conclusion that we will register a new high level of over-all economic activity during the first quarter of 1960 and extend it somewhat further in the second quarter.

Beyond the second quarter the picture is not clear as respects additional forward movement. Much depends on how much ground is covered during the first half. By this time we will also have to contend with election uncertainties, peaking out in steel production and inventory accumulation, and a possible change in the expanding automobile and consumer credit cycles. However, consumer incomes and spending will be higher; also business spending on more efficient plant and machinery. With leveling off or modest declines elsewhere in the economy these should serve to keep us on at least an even keel during the last half of 1960.

Specifies Figures

That in general is the picture which lies ahead as we see it. As to specific figures, we are thinking of the whole of 1960 in terms of a gross national product total of about $510 billion. This represents a gain of about 6% over the expected total of $480 billion for 1959.

The estimated growth of the economy next year will be the sum of a higher level of output in all the major sectors comprising the gross national product. While certain areas of activity within the major sectors are expected to reach maximum output sometime next year and then turn down, the over-all total will exceed 1959 activity.

Consumer spending should reach a record level of $328 billion next year; a $17 billion gain. The major increase will be in the fast and continuously growing service sector. Durable goods expenditures will increase about $3 billion, due to good first half demand for autos and appliances. Auto sales may reach 6.7 million domestic units, plus another one-half million of foreign car purchases. Spending on appliances is estimated to be about 3% above spending in the current year. Nondurable goods purchases are expected to rise to $154 billion for a $6 billion gain.

Spending on producers durables is expected to reach $31 billion for next year; a $5 billion gain over the amount spent this year. This estimate is based on our recent survey of 1960 capital spending plans which envisages total capital outlays of about $37 billion, an estimate which may be revised upward later on. Capital spending plan surveys tend to underestimate the actual outlays during a rising cycle.

Private construction expenditures for next year are estimated at about $39.5 billion, about one-half billion dollars below their 1959 level. The somewhat lower figure next year anticipates a decline in housing starts. New starts in the current year will total about 1,350,000 units. For 1960 new starts are estimated at about 1,150,000 units. Spending on private non-residential building, however, is expected to be above this year and will partially offset the decline in private residential construction expenditures.

In 1960 about $7 billion inventory accumulation, after adjustment for price changes, is anticipated, or about $3 billion more than was added to inventories in 1959. The sharp increase in inventory accumulation projected for next year is primarily due to rebuilding of steel inventories.

Total spending by all units of government will rise by about $3 to $4 billion to $102 to $103 billion. The increase will be centered on spending by state and local units and will continue the upward trend of spending by these units in the postwar period. Spending for other goods and services (schools, hospitals, and others) will also show an increase in 1960. Little change is anticipated in total spending of the Federal Government. The determination of the present Administration to maintain a balanced budget will have an important bearing on keeping Federal outlays from rising by any sizeable amount.

Improvement in International Accounts

This year United States participation in the international economy (commodity trade and various payments and transfers abroad) will result in net foreign disinvestment of about $1 billion. A smaller export trade balance and continued substantial payments of funds abroad have been the cause. Preliminary estimates of our exports in 1960 indicate an improvement over 1959, partially because of the optimistic outlook for the Western European economy, and also because of the possibility of further relaxation of trade controls discriminating against dollar imports. For 1960, therefore, the net foreign investment sector of the gross national product could show a small plus, perhaps in the neighborhood of one-half billion dollars.

Total industrial production in 1960 is expected to increase by about 8%, with the FRB Index rising to about 162-164 (1947-49=100). A large part of this gain will occur in durable goods production. An increase in steel output from somewhat below 100 million ingot tons this year to about 130 million ingot tons is anticipated. In addition, auto production is expected to reach about 6.7 million units, with capital outlays for plant and equipment giving an additional spur to durable goods promotion. The FRB Index of Durable Manufactures production is expected to average about 176 to 178 (1947-1949=100) in 1960, versus 164 in 1959.

Nondurable goods output will probably continue to rise during the coming year. The FRB Index of Nondurable Manufactures Production in 1959 will be about 143 (1947-1949=100), and is expected to average between 150 and 152 in 1960. Practically all nondurable manufacturing industries are expected to increase their output next year. The only two exceptions are likely to be the textile and furniture and fixtures industries.

Unfortunately I will be unable to discuss here such important questions as inflation, foreign competition, our gold position, the Russian problem, interest rates, tight money or the security markets. They have been taken into account in the opinions and figures I have cited but each one could be the subject of another paper.

Conclusion

To sum up and bring this talk to its conclusions: 1960 will be a good business year with renewed expansion to new high levels for our economy in the early part of the year and a further moderate expansion during the balance of the year. Growth in the next few years will be at a lower rate resulting from more frequent and possibly more serious interruptions. We must accustom our minds to expecting fluctuation and change lest we be hurt by them in our business and investment operations. Toward the middle of the Sixties our growth rate will accelerate into another dynamic period. Americans have always achieved their economic potential and I am confident will continue to do so.

*An address by Mr. Harper before the 13th Annual Conference of Bank Correspondents sponsored by the First National Bank in St. Louis, St. Louis, Mo., Nov. 3, 1959.

Seligman & Latz Stock Offered

The first public distribution of stock of Seligman & Latz, Inc., was made on Nov. 30 of 250,000 shares of common stock by an underwriting group headed by F. Eberstadt & Co. The stock was priced at $12.75 per share. This offering was oversubscribed and the books closed.

The company and its subsidiaries operate 259 beauty salons in leased premises in leading department and specialty stores. The salons are situated in 143 cities and suburban areas in 37 States and in the District of Columbia, and in Canada and Mexico. They are operated under the names of the stores in which they are located: 73 salons also use the name of "Antoine." An estimated 8 million customers are currently served annually, of whom 65% are repeat customers.

It is expected that dividends of 20 cents a share on the common stock and 6⅔ cents on the class B common stock will be declared payable in January, 1960.

Sales for the nine months ended July 31, 1959, were $26,691,607, compared to $23,787,507 in the previous nine months period. Net income after taxes for the nine months ended July 31, 1959, was $1,022,014, compared to $719,017 for the same period in 1958. For the fiscal year ended Oct. 31, 1958, total net consolidated sales of the company were $32,431,995 and net income after taxes was $949,848.

Among the sellers are Sidney Seligman and E. K. Latz who founded the company in 1911 and are the company's principal executives. The present stockholders will retain 500,000 shares of class B common stock and 15,000 shares of preferred stock. None of the proceeds of the sale will go to the company.

U. S. Economy in the 1960's And Electronics Industry

By Neil H. Jacoby,* Dean, Graduate School of Business Administration, University of California, Los Angeles

Nationally known business economist concretizes his view of the U. S. economy and the electronic industry throughout the "sixties." Assuming Federal Government's success in moderating business cyclical swings, Dr. Jacoby postulates: (1) 4% real production growth; (2) annual electronic factory sales of $22 billion before 1970—2½ times larger than currently; and (3) rise of estimated total fiscal products of the industry from 3% of $475 billion GNP for 1959 to 5.3% of $700 billion by 1970. The former Council of Economic Advisers' member warns such vigorous growth, which may well rise 2½ times as fast as the economy in the next decade, will not evolve without sweat and tears. He examines, in turn, the prospects for consumer, industrial, government, and international electronic sales, and welcomes recent steps to provide government statistics on this already huge and growing industry.

Let us attempt to evolve a reasonable vision of the future shape of the U. S. economy and of the electronics industry up to 1970 in this way.

First, we may consider the dynamic factors that will be operating in the U. S. economy during the 1960's. By assessing their strength, we may estimate where they can lead gross national production by 1970. Then, let us assess

Dr. Neil Jacoby

the current status of the U. S. electronics industry and its major divisions. We may then project markets for major types of electronic products which will be consistent with over-all economic developments in the U. S. and the rest of the world. By summating, we may estimate the size of the U. S. electronic industry of 1970 and its role in our future economy.

Dynamic Growth Factors in the Sixties

It has been my conviction for several years—and I have so testified to the Joint Economic Committee of Congress—that the U. S. economy will be propelled forward strongly during the next decade by four powerful factors, which will shorten recessions and prolong periods of expansion. These factors emerged since the Second World War, and they promise to come into full play during the Sixties. They are:

(1) A population explosion

(2) An egalitarian revolution in income and wealth

(3) Advancing science and technology

(4) An environment of world expansion and competition with Communism.

Let us briefly observe the economic consequences of each factor.

(1) *The Population Explosion*—We are all aware of the sharp and unexpected increase in U. S. population which began with World War II. Today, earlier marriages, more children per family, and lower mortality is raising the population 2½ times as fast as during the Thirties. An annual increase of about 1 million Americans a generation ago compares with an annual increment of 2½ million today. Because the young people are already here with us, we can forecast with confidence that an average of about 1 million new households will be added to American society every year during the 1960's, compared with less than one-half million in the Thirties. In America, demands for housing, furniture, autos, TV sets, home appliances and community facilities, as well as non-durable goods and services, are closely geared to the number of households, as well as to average household incomes. A surging population will create strong demands for consumer durable goods during the next decade, and will banish the specter of "saturation" of demand which has haunted many a durable consumer goods producer in years past.

(2) *An Egalitarian Revolution*—A second dynamic factor in U. S. economy growth during the Sixties is the remarkable leveling of family incomes and wealth which has been in progress for a generation, and which appears to be continuing. That we have become a rich society, everyone knows; but that we have become the most egalitarian society (after taxes!) in the modern world, is a fact which few are aware of. Three-fifths of all American families today have annual incomes of $4,000 or more, compared with one-fifth in 1940—measured in current dollars. Three-quarters of all American families today have some liquid assets. Sixty percent own the homes they occupy. Thirteen million are direct shareholders in businesses, and nearly all have indirect ownership rights through insurance or revision arrangements. This immense widening of the distribution of income and wealth, arising mainly from the spread of education, the breaking down of prejudice and greater mobility of people, has made consumer goods markets more stable than formerly, as well as larger. Family expenditures are sustained in the face of temporary interruptions of jobs and incomes.

(3) *Advancing Science and Technology* — A third impulse to growth in the Sixties will be expanded research and development activities. In 1940 outlays for scientific research and development were only $1 billion; in 1958 they were $9 billion, having grown about four times as fast as the economy. The economic significance of these activities is to accelerate the obsolescence of existing capital goods and to magnify demand for new types of plant and equipment utilizing new processes and producing new products. By creating a host of attractive new investment opportunities, they create sustained strong demand for producer durable goods and non-residential construction. Thus they banish the former dearth of investment opportunities which caused deep depressions.

(4) *World Expansion and Competition with Communism* — An environment of world expansion and competition with Communism will also goad our economy to higher achievements. The presently explosive growth of world population will continue, as death rates fall while birth rates remain high. They will add 30% to world population in the Sixties. The existing stalemate among the great world powers in nuclear weapons and missiles will continue, and will probably deter any of them from starting World War III. However, rising nationalism and strong ambition for economic improvement will affect the Latin-American, African, and Asian nations. Because their populations will grow so rapidly as to defeat efforts to raise *per capita* incomes quickly, the outcome will be frustration and political instabilities that will keep international tensions high. This will continue to require the United States to maintain strong, mobile military forces throughout the world, as well as to compete with the U. S. S. R. for supremacy in command of outer space. Hence, U. S. national security expenditures will not decline during the Sixties. They will probably grow at a rate approximating the rate of growth of our national product.

The U. S. Economy in 1970

All of these forces lead one to conclude that the average annual rate of U. S. real economic growth in the Sixties will be better than the 3% realized during the 1950's. Environmental conditions will be more favorable, and our Federal Government has learned how to limit recessions and prolong expansion phases of business cycles. If an average annual rate of growth in real production of 4% is achieved, and I am inclined to accept this as a reasonable estimate, the Gross National Product will reach $700 billion (at current prices) before 1970. Our population will be about 210 million at that time. Governmental and private expenditures on research and development may amount to $20 billion a year. Vast increases will have been made in expenditures on education, as well as scientific progress. A highly technical society will require higher levels of formal education and training by the work force. The demand for relatively unskilled manual and clerical personnel will have declined as a result of the automation of repetitive processes. Our country will, however, be facing serious problems of "structural unemployment" to which increasing attention will be given.

The U. S. Electronics Industry

Let us now turn to the present status of the U. S. electronics industry and estimate its position both in today's economy and in the economy of 1970.

A prime difficulty in assessing the present status—not to mention the future—of the electronics industry is that official government production statistics do not recognize its existence! Despite the great collective importance of commercial end-products which are primarily electronic in their nature (radio and television receivers and missiles are examples), electronics is *not* among the 21 major manufacturing industries recognized by the U. S. Bureau of the Census. Electronic manufacturers are classified in unknown proportions among such groups as "electrical machinery," "machinery, except electrical," "transportation equipment," and "instruments and related products." Surely it is time to cure this statistical schizophrenia, and to bring our industrial statistics abreast of the nation's current technology. It is gratifying that the Business and Defense Services Administration of the Department of Commerce is now making available information about sales of electronic end-products; but a more basic statistical status for the electronic industry is desirable.

Lacking reliable official data, it is necessary to make the best estimates we can of the current dimensions of the electronics industry. The estimates I now put forth appear to be reasonable and probably err on the conservative side. However, they are highly tentative and lack firm economic and statistical foundations. Extensive research designed to produce firmer estimates of the present and future dimensions of the industry is now under way. It is urgently needed to provide a better basis for long-range business and financial planning in the industry.

The most competent estimates put the sales of final products of the industry, including broadcasting, retailing, repair and other services, at about $14.2 billion in the current year 1959. This total may be made up as follows:

ITEM—	Amount (in billions)
Consumer Products	$2.7
Business Products (including data processing)	2.5
Military Products	4.8
Broadcasting Services	1.6
Repair and Maintenance	2.6

The total final product of the U. S. electronics industry this year will, therefore, be about 3% of the estimated Gross National Product of $475 billion for 1959.

Electronic manufacturers tend to define the industry in terms of the annual volume of *factory sales*. These may be estimated at $8.4 billion during 1959, leaving $5.8 billion to cover retail distribution, broadcasting, repair and other service revenues. Of the hardware sold by electronic manufacturers, the military is believed to be taking about 58% this year—$4.8 billion of a total of $8.4 billion.

According to figures published by Electronics Industries Association, factory sales of the industry grew at a rate of about 15% per annum during the '50s, compounded annually. However, in the most recent years since 1953, sales of industrial products have been growing at a rate of 50% per annum, military products at a rate of 18% per annum, and consumer products at the slower rate of 6% per annum. The less buoyant growth of consumer products may be explained by the relatively small number of family formations in recent years and a lack of striking technological advances in consumer electronic products.

U. S. Electronic Industry in the Sixties

What are the prospects for the major segments of the U. S. electronic market in the next decade? Let us briefly examine consumer, industrial, and governmental markets in turn.

(1) *Consumer Products* — I am inclined to take a relatively optimistic view of the growth of electronic markets for consumer products during the Sixties. Rising family incomes and larger family formations will expand the demand for current products such as radio, TV, hi-fidelity sound systems, and electronic organs; technological developments will widen the markets for such newer products as temperature, lighting and other automatic environmental controls, garage door openers, and home communications systems. The industry will apply technology developed under military contracts to the meeting of consumer wants. We can conservatively estimate, I believe, that the 6% annual growth rate of the Fifties will continue throughout the Sixties, and will lead to total annual sales of $4.5 to $5 billion by 1970.

(2) *Industrial Products*—There can be no doubt of a most vigorous expansion in the market for industrial electronic products during the Sixties. This is the area of greatest potential growth. Computers and data processing alone have a huge market. Closed circuit television, controls, and communications will burgeon. It is easy to envisage a 12 to 14% annual increment to this market during the Sixties, making 1969 sales of industrial electronic products about 3½ times as large as 1959 sales, or around $9 billion.

(3) *Governmental Products* — Mr. Khrushchev's proposals for complete world disarmament within four years, and the undoubtedly strong and rising senti-

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Investment Position of Electric Utilities

By Charles A. O'Neil,* Vice-President, Duff and Phelps, Inc. Chicago, Ill.

Addressing himself to the two important determinants of general investment policy, Mr. O'Neil examines the electric utility industry with respect to its risks and chances for profits. He finds the industry is basic to the economy, advises investors to encourage utility managements in their atomic programs, and points out that the industry's earnings per share and dividends are highly resistant to a setback in business. Turning to the profit possibility investment consideration, the author contends: this is a growth industry which should grow in earnings per share and not just in volume of business, regulation recognizes investor needs, higher cost of new financing is negligible per share, and higher utility stock prices permit less dilution. All in all, Mr. O'Neil sees earnings as good in the next few years as they were during the last few years.

It is my intention to consider the aspects of the utility industry, which are likely to be important in the determination of general investment policy. By reason of their different characteristics, it would be impossible for me to deal with each of the segments of the utility industry. Consequently, I shall concentrate on electric utilities.

Investors customarily approach such a problem with two primary questions in mind: (1) What are the risks? and (2) What are the chances for profit? I shall go at the matter in that order.

Electric utility risks fall in two general classes. One involves what might be called generalized, long-term possibilities, such as loss of markets, public power, and such matters, I don't think we need to spend much time here. The use of electricity is so embedded in the entire business and social structure that all the experts can foresee is increasing use of electricity for many years into the future. This is the opposite condition to loss of markets. Public power and its effect on utility investors is more nebulous; but if we look backward over the last 25 years or so, we're hard put to it to find instances of damage to investors in operating electric companies. It's true that investors in some holding companies had a bad period, but even they worked out well over a period of time. Besides, there are now no holding companies of that type. We must remember that this 25-year period includes the awful convulsions of the 1930s: there are few today who believe that the 1930s will be repeated. The record, then, is reassuring as to investor risk from public power. In this connection I should mention that public generation has thus far been based on hydrogeneration. There is a strictly limited number of economic hydrosites in the whole country; as each one is developed, the opportunity for further such development is diminished, so that the prospects in this regard are even better than the record for investors. That would not be the case with atomic power. I should like to point out that atomic plants of any size could be located almost anywhere, so there would be no automatic limit if they were publicly developed. I think investors should encourage utility managements in their atomic programs, not only on the basis of their utility investments but much more as citizens and adherents of the free enterprise system.

Earnings Resistance During Business Declines

Let's look now at the other general kind of investor risk decline in earnings per share and dividends during a setback in business. I'm not stating anything new when I say that utility earnings have been recession resistant; but why they have been, and consequently whether they will continue to be, may be of some interest. The electric utility industry derives some 70% to 75% of total revenue from residential and commercial users. These classes of business are right out of the college text books as consumers goods lines, and consumers goods are the least and the last affected during recessions. Approximately, this revenue derivation has existed for a long time. Increasing use of the heat pump, for example, would materially expand the consumers goods proportion of revenue in the future. Consequently this part of the utility recession resistance may be accepted as continuing.

Utility managements deserve no credit on this score; but they do deserve credit for another bulwark to earnings. The remaining 25% to 30% of electric revenue is derived from industrial customers. In the first place, consumers goods industries are included here, with the same general effect as I have just discussed. Additionally, utilities make contracts with their industrial customers of any size on what is called a "two-part" rate. The two parts are a demand charge and an energy charge. The energy charge is, of course, X cents per kilowatt hour; and the revenue collected thereunder varies with the industrial customer's use. The demand charge is Y dollars per month per kilowatt of maximum demand the customer has imposed on the utility in the preceding 12 months. The theory of the demand charge is that it reimburses the utility for overheads on the investment in facilities to serve the industrial customer, which overheads go on whether the customer uses any kilowatt hours or not. Let me give an example of the way the demand charge works. A manufacturing plant was operating full blast last month and had a maximum demand of 20,000 kilowatts. This month a strike or a business recession or some other calamity cuts the business in half, and the load on the utility is no more than 10,000 kilowatts. The manufacturer continues to pay this month Y dollars per kilowatt on 20,000 kilowatts, and would continue to do so through September, 1960, even though his business (and his load on the utility) never recover to last month's level. Beginning with this month the utility company's kilowatt hour sales to this manufacturer are cut in half, but the revenue from this customer is reduced much less because it includes the same monthly demand component as earlier. Thus, the two-part industrial rate tends to sustain utility net during recession periods. It is our impression that the rise in the cost of equipment has been reflected in greater emphasis on the demand component in the two-part rate, which suggests increasing effectiveness of this stabilizing influence as time goes on.

Outlook for Profitable Growth

Now let's leave the risk side of the investor's question, and get on with the profit possibility side. The first point here is the outlook for kilowatt hour sales. Forecasts running many years into the future have been made by experts such as the Federal Power Commission, General Electric Company, and leaders in the electric utility industry. Their unanimous conclusion is that there lies ahead more of the same as has been recorded—that is that the electric utility industry will continue to double about every 10 years. A projection of the future volume of the business is necessary, but by itself it is no more than a preliminary step. To us a "growth" stock is one that grows in earnings per share, not just in volume of business. So now we have to work our way down the income account toward the all-important bottom line, and that means we next have to consider expenses. It would take too long to go into detail as to this complicated subject. Briefly, the situation may be described as a tug of war between the rising price and wage level on the one side and increased efficiencies on the other. Only one point in particular merits our attention. Wages account for about 20% of electric utility revenue, and wages are customarily increased about 5% annually. That makes wage increases equivalent only to about 1% of revenue, and even in the late and unlamented recession the industry's revenue went up much more than that. Therefore utilities are not noticeably involved in the wage push which is bothersome in so many other industries. Nevertheless, it appears to us that many companies have lost out a little in this tug of war—that is to say, the increases in efficiency have not quite equalled the impact of higher prices. We expect that condition to continue for some time into the future. What it means is a slightly smaller carry-through of revenues to net.

Effect of Regulation on Earnings

That brings us face-to-face with one of the really important factors in prospective earnings per share—regulation. So that you can't accuse me of double talk, let me state flatly that we think that regulation is steadily dealing better and better with investors throughout most of the country.

Someone is certain to ask whether the election next year might not require change in that general characterization. The answer is that we don't think it will. Why? Let's move back mentally to the middle 1940s, about the end of World War II. The whole, long history of regulation up until that time had been practically entirely on the side of rate reductions. Looking at that record, investors had every reason to wonder whether regulation was not, in fact, a one way street—an extremely adverse condition to those who foresaw the spiraling inflation which was just about to take off. The answer was not long delayed. By 1947-48 there was in process a flood of rate increase cases so large that it was difficult to believe even when it was seen. They were based, of course, on the fact that the inflation itself created a set of conditions, which never before had existed. The new conditions were recognized by regulation; rate increases were granted in an overwhelming percentage of the cases and in amounts that reasonably approximated those sought. We had at that time a 180 degree change in the direction of regulation—from rate reduction to rate increase. We don't see how regulation can ever again meet an equally severe test; subsequent to that period the test involves only a few degrees of direction, the difference between really good and not quite so good. Need I remind you that in the late 1940s the New Deal-Fair Deal regime was about at the peak of its power? So much for the longer background of regulation. Incidentally, I have no doubt in my own mind that the willingness of regulation to recognize new conditions and to grant rate increases has been one of the principal contributors to the postwar rise in the investment standing of utility stocks.

Today's Regulatory Problems

Having gotten a little ahead of the game by dealing with an inevitable question, let's now circle back and move into the subject of regulation in a more orderly manner. Among the regulatory problems today, two of the most important are attrition and the effect of higher interest rates. So that we all may be thinking in the same terms, let me give an example of what attrition is. I confess that the example is oversimplified to a point that would give a technician the horrors, but I think it will serve our purpose. After 50 years of growth, our utility at the end of 1957 served 1,000 customers and had an average investment of $300 per customer. The investment has been built up during periods of low price level, intermediate price level, and more recently high price level; the $300 per customer represented an average of those conditions. In 1958, our utility added 50 new customers—all at the high price level, so the new investment worked out at $500 per customer. The new customers pay the same rates as the old; at this point let's assume that the net income per customer is the same in 1958 on the new ones as it was in 1957 on the old. The utility's total net income, then, would be higher in 1958 than in 1957; but on the 50 new customers, the net income is related to $500 of investment as against only $300 on the old. With increasing net income, therefore, the rate of return (which is net income divided by investment) has declined. That is attrition, or at least the principal part of attrition. The other part we referred to earlier—the slight annual loss in the tug of war between efficiencies and the rising price level. That means that the net income per customer would tend to be a little bit smaller in 1958 than in 1957. By reason of attrition, then, utilities may have rising net income but declining rate of return, and it is the latter that determines rate relief.

The other element I mentioned in this connection is the rise in interest rates during the last few years. This subject divides into two parts. First, what is the effect of new, high coupon bonds on earnings per share? Let's take a recent actual example. Philadelphia Electric sold $50 million 5s around the middle of October. That amount, about 10% of the bonds previously outstanding, is typical. The previous weighted average coupon on the company's bonds was 3.27%, so the new coupon was about 175 basis points higher. Annual interest on the new issue is $875,000 more than it would have been at the previous weighted average. Half of that excess interest is absorbed by income tax, making the net change $440,000. The company has about 13.5 million common shares, so the excess interest is only a little over three cents per share on $2.85 per share earnings. We have worked a great number of these examples and in every typical case find that the impact of new financing is negligible per share.

The second part of the interest rate subject involves regulation. Rate of return is affected by the cost of senior capital. Prior to the middle 1930s, sound electric utilities frequently were allowed rates of return of 7% or even higher. Then came the era of low interest rates, which reached a climax in 1946. It was during this era that 6% came to be regarded as the usual rate of return. Just as surely as rate of return went down with interest rates, it must go up with interest rates.

On these bases we can summarize the utility rate making position in the last few years. Rates of return have been whittled away from the previous general 6% level by attrition, indicating the need for rate relief; that rate relief has included the opportunity for a higher rate of return than previously applied. According to information that has been furnished to us, at the end of 1956 there were pending 15 rate increase applications, at the end of 1957 there were 18, and at the end of 1958 there were 64. The success of the companies in these rate increase applications, accordingly, must have an important bearing on their earnings prospects.

How have the commissions responded? We have no means of keeping a precise box score; but on the other hand, we have no doubt that in most jurisdictions the response has been quite satisfactory to investors. The allowed rates of return have generally moved upward. That movement is obvious, but it is only part of the story.

Overcoming the Rate-Setting Lag

The other part is not nearly so obvious but, by our analyses, is at least equally important. To illustrate the point, let me use another oversimplified example. Our utility filed a rate increase application early in 1959. If we're lucky we may get a decision toward the end of the year. Under the former standard practice, calendar 1958 would be our "test year"—that is, our testimony and exhibits would set out revenues and expenses for 1958 and the average rate base for 1958. The reason for using average rate base was plausible: revenues and expenses in effect represented the average result for the year, and the rate base should synchronize with them. That method was reasonably satisfactory while prices were reasonably constant, but a few years ago it began to be realized that the method was not satisfactory while prices were rising. Regulation is required to set rates for the future. In our example the new rates would become effective in 1960, based on conditions as of mid-1958. The 18-month lag would make the new rates obsolete before they went into effect. The problem was to eliminate the lag. The first step toward an answer was for our utility still to use 1958 as the test period, but to use rate base at the end of 1958. That doesn't sound like much of a change; but it is, in fact, quite helpful. Our utility doubles every 10 years, so it adds 10% to the property account each year. Starting with 100 at the beginning of 1958 the rate base would be 110 at the end of the year, making the average 105. The change from average to year-end rate base adds about 5% to the rate base. That has exactly the same beneficial effect as a 5% increase in rate of return—that is, from 6% to 6.3%. I think it is fair to say that use of period-end rate base has come to be generally accepted practice.

But that still leaves a one year lag between the effective date of the new rates and the period on which they are based. More recently, steps have been taken still further to shorten the lag. When our utility filed early in 1959, we did so on the basis of estimated 1959 results, including the estimated average rate base for 1959. Going back to the numbers I cited just previously, the average rate base for 1959 would be 115, com-

pared with 105 for 1958. That's almost a 10% increase, equivalent in terms of rate of return to going from 6% to 6.6%. This method has the further advantage that it puts the utility a year ahead as to the impact of rising prices on the utility's expenses.

This "forward look" as to test period and rate base has been adopted by some commissions and has been upheld in at least one court test. Provided only that the utility's projections are accurate (and many companies have good records in that regard), it seems to us to be the sound and right thing to do. Rates must be set for the future; and to do so properly, they must be based as nearly as possible on current conditions. It is rather easy to imagine that eventually the rate base would be estimated as of the end of 1959, in the example we have been using.

Ratio of New Shares Issued

While regulation is important in the prospects for utility earnings and dividends, it certainly is not the only consideration. We have time to look at one other. Issuance of additional shares dilutes earnings per share. Too much dilution produces a treadmill effect—the utility runs hard in kilowatt hour sales and revenues but gets nowhere in earnings per share. What are the dilution prospects in the next few years? We think they are less than in the last few years. We expect most companies to maintain approximately their present satisfactory capitalization ratios. That means that the number of new common shares to be issued looks first to the size of the construction programs, second to the amount of internal cash, and third to the prices at which the shares will be sold. We do not expect construction budgets in the next few years to be any larger than they have been in recent years, and it is even possible that for a year or two they will be smaller. Expanding transmission interconnections between companies mean expanded power pooling, which tends to minimize reserve generating capacity that is required.

In the face of those developments, many parts of the country now have unusually high generating capacity reserve. The equipment manufacturers have felt that condition in the low ebb of utility orders. It takes at least two years for this heavy equipment to be manufactured. Hence, this element in utility construction budgets is not likely to run away on the upside very soon. True, the valleys in generating construction tend to be used for increased expenditures on transmission and distribution facilities; but this tendency is seldom carried to the extreme of establishing new high budgets. So far as internal cash is concerned, the annual increase in taxes deferred by use of liberalized depreciation is quite impressive. The deferred taxes, of course, constitute cash that remains with the company and may be applied to pay for construction. The same construction budget therefore requires the raising of less new capital each year, as more cash is retained in the form of deferred taxes. Operating in the same direction, but to a much lesser extent, is the fact that the noncash accruals for regular, straight-line depreciation increase each year as the property account grows.

As to the third point—the number of new Common shares — I should like to start by asking a question. Remember the time, not many years ago, when it was practically routine that each electric utility sold 1-for-10 new Common shares every two years? I am sure the answer is yes. Noticed that those same companies are now selling about 1-for-20 every three years or so? The explanation of this change is extremely simple, but also extremely pertinent. Utility Common stock financing is designed to raise a stated amount of Common stock equity dollars. Utility stock prices have gone up sharply in recent years. Therefore, a smaller number of shares today brings in the same number of dollars as a larger number of shares a few years ago. The smaller number of shares produces less dilution.

So far, we have been talking about the prospects for earnings per share. They look to us at least as good for the next few years as they were recorded during the last few years. That record was obviously satisfactory to investors. The dividend increase prospects go right along with the earnings prospects, because payout ratio tends to be fairly constant. We at Duff and Phelps follow closely about 115 electric utility companies—all those in the country in which there is a significant investor interest. Of these companies 44 increased the dividend in 1957; 45 increased the dividend in 1958; and through the 1st of September 1959, 42 of them raised the dividend.

Summary

We're now at the point where it is possible to sum up our views as to the investment position of the electric utility industry. The

Continued on page 28

THE MARKET . . . AND YOU

BY WALLACE STREETE

Industrials this week were able to push decisively into new high recovery ground, with the newer notes entailing some stirring in the long laggard rail and oil sections. The electronics which have been the skyrockets recently, came in for some heavy profit-taking at times.

For the senior group, however, it was pretty much of a solo show of strength as far as the averages are concerned. The industrial average has never been near its February low, despite the steel strike sell-off that clipped some 60 points from it. The rise from the February low ran more than 100 points. On the recovery swing all but a dozen points of the loss has been retraced; so the move still fits into the classical definition of a market "correction."

Rails Still Lagging

Rails are a different story. They suffered almost immediately when the steel strike hit and their average sank to a new low for the year during November when it was hoped that they would bounce back as the mills reopened. So far the recovery for this index has been only several points. Similarly the utility average has shown virtually no recuperative powers nor is their much incentive for it to do so since new bond issues are available in the key utility stocks.

Brokers were starting to stress stock purchases for the gift season, and when it comes to income packages the rails were a bit prominent for their high yields. Seaboard Air Line, for instance, with a better than 6% return, is distinctly above average for the income-minded. Yields approach 6% in Rock Island and Santa Fe. This is well above the return on high grade bonds which is hovering around the 5% level.

In general, the market was being viewed cautiously in the Street. December traditionally is one of the most bullish months of all but the year-end rally in years when there is a good share of tax selling to be absorbed, the pattern is for a decline early in the month with the rally pretty much confined to the period after Christmas.

Tax Selling Impact

The consensus is that there already has been much tax selling but the evidence isn't at all clear that the bulk of it has taken place already, and there are always holders around who wait until nearly the last minute. There is also some divergence between the records of the industrial and rail averages over the years. While industrials have advanced in 44 years and lost ground in 18 during December, the rails have staged only 36 advances against 26 declines. And that doesn't guarantee that the rails necessarily will put on a rousing show.

Shush on Yield

The electronic issues are currently at levels where no one bothers to discuss yield. Their big play so far, with prices tripled and quadrupled in spots, seemed to have bumped into determined profit-taking on any new advances so they were erratic even within a given session, ahead smartly early, then forced back down all the way and more before trading ends.

Sprint Candidate

One item in this field, preparing for New York Stock Exchange listing, is Collins Radio Co. that would seem laggard when measured against the other sprinters.

Where market prices of 50 or 60-times earnings, or more, are shown by some of the market leaders, Collins in Counter Market dealings has been available at a price that was only some 14-times the profit expected to be reported in the current fiscal year. The company gets much of its business from defense products but there is no single item involved in its work where a defense cutback could have repercussions of a drastic nature, such as affect the aircrafts when orders for a single model plane are cut back or stretched out.

Aircrafts were starting to do better this week when such a cutback by the Air Force of the B-70 bomber gave North American Aviation a hard time. North American is the prime contractor, but Lockheed, Boeing and Chance Vought are major subcontractors. So the development cooled the enthusiasm for the aircraft rather abruptly.

Some good earnings reports were rather lost in the shuffle as all the attention centered on stock splits and split candidates, and year-end dividend declarations. Western Union, for one, on a gain of a bit less than 11% in revenues was able to boost profit 78% for the first seven months of the year, a trend that, once underway, doesn't seem likely to reverse itself abruptly. Yet the stock has been a pedestrian one even though the improved operations makes the issue a candidate for a higher dividend payout. The full year's earnings should cover the present dividend rate more than twice over.

With the rails in the doldrums mostly, there was little interest in the railway supply issues such as General Railway Signal which has been lolling only a bit above its low and down more than half a score of points from this year's high. With rail earnings picking up, it is more or less assured that General Railway's business will pick up as the carriers get the funds to improve their necessary equipment.

Diversifying Textile Item

One strong upturn in earnings in the depressed textile field is Celanese Corp. which reported for the first three quarters an improvement in profit of no less than 88%. It is available at around 11-times the estimated earnings for this year. One speculative facet in its product lineup is its Arnel fiber which might be one that can compete successfully with du Pont's Dacron. Its products are widely diversified ranging from lubricants for jet aircraft to kraft paper and clothing fibers. Except for the recession-hit 1957 report, its profit has been on the upgrade since 1954.

With all the stress on the small car makers, the auto section has been pretty much dominated by American Motors and Studebaker, both of which were bumping into some resistance to any further upside progress.

Neglected rather thoroughly in the process was Chrysler which has been anything but a wonder-worker since 1955 when it raced above par for its best price tag in the post-War II era. With its alternate ups and downs in competitive performance since then, many former market fanciers of Chrysler shares have turned elsewhere. But it is still the third largest auto producer and has been working hard since 1956 on an improvement program to lower its break-even point.

Motor Imponderables

With the Big Three in the compact car field now, it is a wide-open speculation over which of the top makers will improve its portion of the general market the most. Chrysler, with any success in the field, could show vastly changed profits because of its attention to efficiency in the last several years. Then, too, Chrysler has the fewest shares outstanding of any of the Big Three, a mere $8\frac{3}{4}$ million against General Motors whopping 280 million capitalization and Ford's nearly 55 million.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Don't Sell Land Without An Aeromagnetic Survey

By Roger W. Babson

Progress in the USSR and here in probing what's beneath the earth's crust is said to reveal the existance of valuable ore. Mr. Babson advises land owners not to sell their land without an aeromagnetic survey as to distance to the crust, crust's thickness, and what's under it.

This week I want to write on the most exciting piece of news which I learned while visiting Moscow, Russia. It should interest every reader in every state wherever he may live.


Roger W. Babson

While Mr. K has been feeding us with news about "flying to the moon," his scientists have been at work breaking open the crust of the earth and finding out what is under it. In fact, whenever Mr. K tells us what he is doing, it is not important. The things which are important Mr. K does not tell us abcut.

I have already written about the one million scholars who are in Moscow's schools today. All are given equal opportunities, but the number is sifted and boiled down to about 5,000 who are trained to be scientists. These are given intensive training in mathematics, physics and chemistry. About two-thirds of them are concentrating on rocketry and submarine missilry. They are told not to be content with hitting any one city, but to pinpoint a definite building in that city. The other third of these students study the crust of the earth and what is under it.

A Lesson in Geology

Originally the earth was a form of gas which, through millions of years, gradually turned into a solid mass. What is inside this mass is now one of the problems of the Gravity Research Foundation of New Boston, N. H. It is supposedly molten metals of various kinds. All we really know is that the core of the earth is covered with a shell of granite or other material. The oil that we use to heat our homes and the gasoline with which we operate our cars have been collecting on the outside of this crust. No one has known what was under the crust until the Russians recently cracked it 4,000 feet deep in the Ukraine.

Hearing of this work, the St. Joseph Lead Company and the Bethlehem Steel Company made a study of what was under the crust in this country. So far they have found that the crust is the thinnest abcut 26 miles from Salem, Mo., where they broke through the shell which was about 16,000 feet thick. In accordance with borings previously made, they found a great bed of iron ore with copper, uranium, and even traces of silver and gold. Here I come to the exciting piece of news that I spoke of above.

What About the Crust?

The crust of the earth consists mostly of granite of various thicknesses, varying in depth below the surface of the ground. In New England the crust comes to the surface, while in Florida one must drill through an overlay of sand, etc., more than 10.000 feet before coming to the crust. There still may be valuable ore under the crust in Florida; but the process of getting it out would be very expensive under present known methods of extraction. The Russians are said to be pumping this metal to the surface. The crust is supposed to be the thinnest in Central America on lands owned cr leased by the United Fruit Company. Let me, however, emphasize that wherever you live your land or farm may be underlain by most valuable metals.

The major metal which underlies your land is probably iron ore, but it may be uranium or even gold. If your state or county has not already made proper geophysical surveys, you should insist that it do so at once. In short, my "exciting news" is that you may be living on a most valuable body of ore. Hence you should not sell your land without an aeromagnetic survey which will tell you (1) the distance from your doorstep to the top of the crust, (2) the thickness of the crust, and (3) what is under it.

What This All Means to You

I have often advised my readers to be slow in selling raw land—especially near the seacoast, navigable rivers, or other chief outlets to markets. Since my trip to Russia I feel more strongly about this than ever. Houses can be improved or rebuilt, but only God can make more land and put great wealth under it. Let me repeat that such wealth is already under the land where you live. Its value depends upon the distance down to the crust and the thickness of the crust at your place of residence, together with the outlets to the nearest market.

Television Shares Appoints W. Heer

CHICAGO, Ill. — William H. Cooley, President of Television Shares Management Corp., 135 South La Salle Street, has announced the appointment of William D. Heer, Jr. to the firm's Investment Committee.


William D. Heer, Jr.

Mr. Heer brings to the management company, Mr. Cooley said, almost 30 years of experience in investment management. He was portfolio manager for the General Electric Co. pension trust during the past four years, and, prior to that, was Manager of the Investment Department at Armour & Co. and the Continental Casualty Company.

Mr. Heer is a member and past President of the Investment Analysts Society of Chicago and a former Vice-President of the National Federation of Financial Analysts Societies.

Allen of Wyoming

CASPER, Wyo. — Allen Investment Co. of Wyoming, Inc. has been formed with offices at 150 North Central Street, to engage in a securities business. Officers are Herbert J. Taylor, president; Selmer E. Moeller, vice-president; Kenneth E. Stephens, secretary-treasurer; and Gerald M. Greenberg, chairman.

Business Capital Spending And Cyclical Outlook

By William F. Butler,* Vice-President, The Chase Manhattan Bank New York City

Expecting a good advance in capital expenditures, from $32.8 billion this year to $39 billion next year, Dr. Butler predicts a vigorous business advance throughout 1960 and well into 1961 which he believes will occur without accompanying price inflation. Reasons supporting the latter observation are ticked off and found to mark a most significant turning point in our economic history. The author does not believe productivity will lag as it did in 1956-57, finds excess capacity exists in only a few fields and much of it is in the wrong products or the wrong locations for the future markets, and anticipates $9-10 billion external financing will not have an inflationary impact as it may be offset by decreased Treasury and mortgage financing.

I must say at the outset that this is a most inconvenient time to attempt a forecast of business capital expenditures. We are in a period when many businessmen are beset by grave doubts about the future, stemming from the unpleasantness in steel, foreign competition, and the Federal deficit. Such an atmosphere is obviously not conducive to the launching of large capital expenditure programs.

William F. Butler

It is my belief that the atmosphere will change markedly in the next six months. In fact, I believe we are in the midst of a most significant turning point in our economic history. The steel strike, difficult though it has been and may be, will, I am sure, turn out to be a notable milestone. One victory does not win a war, but it certainly helps and it certainly can influence the course of the subsequent campaign. In short, I am arguing that the solution in steel will be a non-inflationary one, and that it will set a pattern that could bring an end to the wage-price spiral and make progress toward eliminating featherbedding.

At the same time, we have been making progress in other fields. The Federal Reserve is pursuing an appropriate monetary policy. The Federal cash budget should be in balance for calendar 1960. Businessmen are beginning to face up to foreign competition. Finally, and this is most significant, the public has turned against inflation. Parenthetically, this is true not only in the U. S. but also in the U. K. and in many other nations.

Discerns Upward Business Advance

I have no illusions that the millennium has arrived. There will be plenty of tough problems ahead. But, as I said, I think we have passed a significant turning point. If I am correct in this judgment, and it is difficult to be sure with the steel situation in its present mess, I think we are in for an upward move in business expenditures for new plant and equipment that could extend through 1960 and perhaps well through 1961 as well.

I've dwelt at some length on what might be termed the intangibles, for I think they are much more important at present than the statistics. Frequently, the things the statisticians do not measure are more important than the things they do. Nevertheless, one should not neglect the numbers. Thus, I suggest that we turn to the First Chart which compares the record of New Orders for Durables and Plant and Equipment Expenditures in this cycle with the record in the 1953-57 period.

The pattern of the new orders series in the 1957-59 period was amazingly parallel to that in 1953-55 until the steel strike hit. There are some well-known problems with the commerce new orders series, but I believe the general picture shown is valid. And I would think it points to a further rise in orders and expenditures at least through mid-1960, assuming a resolution of the unpleasantness in steel.

The upward move in plant and equipment expenditures since early 1959 also parallels the move in 1955 and 1956. However, the cutback in the 1957-58 recession phase was obviously more drastic and the upward turn less vigorous. For reference points, expenditures rose 22% from 1955 to 1956, and the increase from 1954 to 1957 was 37%. For what it is worth, a similar advance in this cycle would yield expenditures of almost $42 billion in 1961.

The latest report on the Conference Board's survey of capital appropriations by manufacturing companies also appears consistent with a continued increase in capital expenditures. Appropriations in the first half were 40% above the level in the first half of 1958, although still 16% below the first half of 1957. The third quarter report may be affected by the uncertainties surrounding the steel strike. But it seems to me that the general picture is one that is typical of the early stages of an expansion in manufacturing investment.

The preliminary McGraw-Hill survey shows an increase of 10%. However, past experience points to a downward bias of 5 percentage points in such preliminary surveys.

That ends the review of the evidence available from statistical reporting. It will be supplemented by McGraw-Hill, the Conference Board and the Commerce Department as time goes by. However, at this juncture it is patently clear that we have very little to go on in attempting to answer the two crucial questions: How far will plant and equipment expenditures advance in the current period of business cycle expansion? How long will the rise in plant and equipment persist?

Finds Excess Capacity Worked Off

In the absence of official numbers we have made up some of our own, which are shown on the Second Chart. In doing so we have used techniques and basic numbers developed by Commerce, the National Bureau, MAPI, and *Fortune Magazine*. Having cited these sources, I rush to absolve them from all blame. I delight in accepting the responsibility for the numbers and for our interpretation of them — it is much more fun to make up your own numbers than to use others, and frequently you feel that you know more about your own numbers.

In any case, I would argue that we worked off in 1958 and 1959 the excess capacity drag that existed at the end of 1957. It is clear that the statistical computations underlying the Chart understate the degree of excess capacity in 1957. Yet I think the following points can be made:

(1) The basic problem in 1956 and 1957 was a lag in productivity rather than a basic overbuilding of capacity. For a number of reasons, including the current emphasis on reducing featherbedding, I think productivity in this business cycle will follow the average cyclical patterns instead of lagging as it did in 1956-57.

(2) Excess capacity is concentrated in a few fields — notably metals, electric utilities, chemicals and petroleum. These areas account for about one-third of capital expenditures, and the amount they spent building excess capacity added no more than 5-6% to total capital expenditures in 1957.

(3) Much of the existing capacity is in the wrong products, or the wrong locations for the markets of the future.

In general, it seems to me that there is room for a good advance in capital expenditures in 1960. The Chart projects an 18% rise in total business fixed investment, the GNP concept. This would imply an increase in the Commerce-SEC plant and equipment total from about $32.8 billion this year to about $39 billion next year. With some lag in early 1960 as a result of the steel strike, this implies a change from fourth quarter 1959 to fourth quarter 1960 of almost 30%. This is a startling number, but it is what comes out of the analysis.

Financing Investments

Can this amount of investment be financed? I won't go through the whole source and use analysis. But with internal funds rising perhaps $3 billion and total corporate uses rising $12-13 billion, this implies a demand for external funds that could be $9-10 billion higher in 1960 than in 1959. Yet the Treasury will be taking about $9 billion less from money markets and the flow of funds into mortgages may be down $2½ billion or so. In these terms it should be possible to finance the record level of capital expenditures I contemplate. This prospect is not inconsistent with Federal Reserve policies designed to limit borrowing to a volume which will permit prosperity while avoiding inflation.

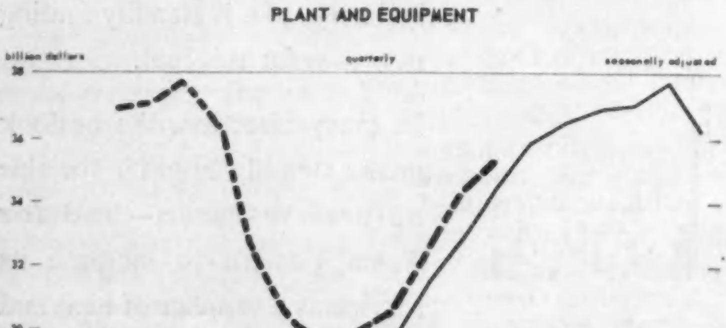
Will business have the incentive to make these large commitments? This is one of the important questions that the available statistics can't answer. We have serious need for more reliable, and more up-to-date figures on profits corrected for price changes, including those in inventories and depreciation, and also corrected for all the new gimmicks the accountants are dreaming up.

We have made a very crude attempt to adjust the numbers for these factors. On this basis, profits after taxes in 1960 might run to about 10% of the depreciated stock of capital in use. This is about the same rate of return as in 1955. It would appear high enough to justify corporate investment even in face of high interest rates.

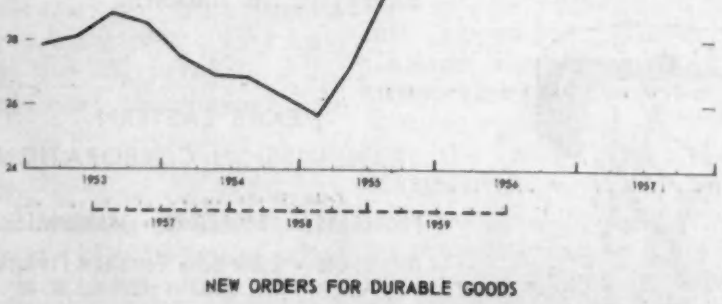
This brings me to the final question about the capital goods outlook: How long is the upsurge in capital expenditures likely to persist? I know of no way to arrive at a hard and fast answer. The last two periods of expanding capital investment have lasted about 2½ years from their lower turning points, and have shown a decided leveling out for 3 or 4 quarters before the downturn. This experience, together with the National Bureau patterns of business cycles, would point to a downturn in capital expenditures and general business sometime in 1961, and perhaps about mid-year.

It is possible that things will work out differently in this cyclical expansion—and nothing in the National Bureau analyses would preclude such a result. The prospective expansion of investment

PLANT AND EQUIPMENT



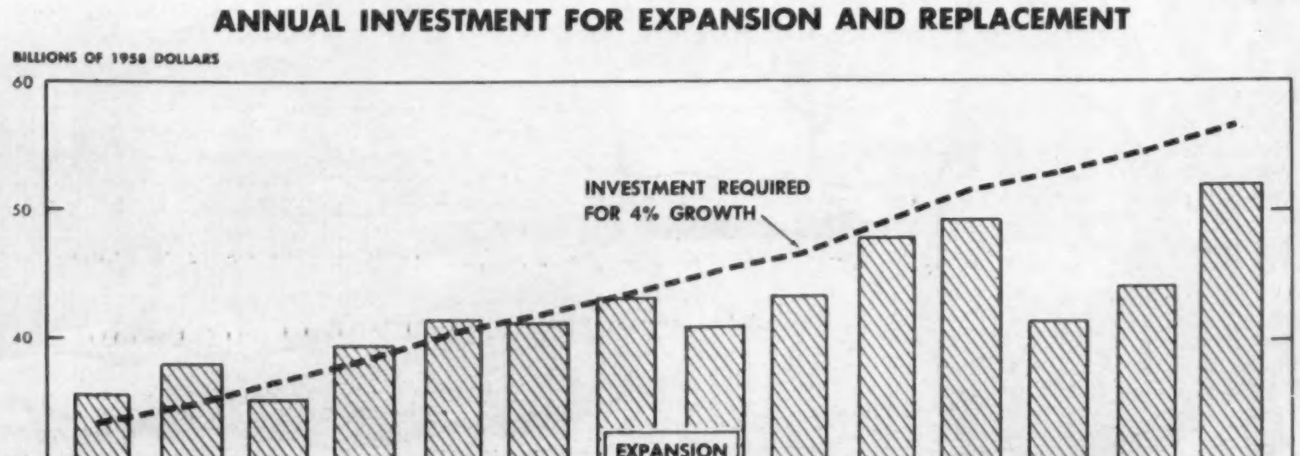
NEW ORDERS FOR DURABLE GOODS



DATA: U.S. DEPT. OF COMMERCE

THE CHASE MANHATTAN BANK

ANNUAL INVESTMENT FOR EXPANSION AND REPLACEMENT



Data: U.S. Department of Commerce, Fortune Magazine and the Chase Manhattan Bank

and general business in 1960 could develop in a manner that achieved a better balance between saving and investment, costs and prices, expansion vs. modernization expenditures on the investment front and the growth in debt vs. the growth in assets. Thus, this period of prosperity and growth could last longer—perhaps through 1961.

This is, however, pure conjecture—we have to see how things develop in 1960 before we can talk with any specificity about the timing of the next turndown. To my mind, the important thing is that business will move ahead in vigorous fashion throughout 1960 and into 1961. That's probably as far, or perhaps even farther, than one should go in expressing a positive view about the business outlook.

*An address by Dr. Butler before the National Industrial Conference Board, Chicago, Ill., Nov. 19, 1959.

Exchange Firms Name Officers

David Scott Foster, partner in Pershing & Co., New York, was elected President of the Association of Stock Exchange Firms at the annual meeting of the Board of Governors held yesterday. Mr. Foster has been a member of the Board since 1955, holding the office of Vice-President in 1958. He also served on the Board of Governors of the New York Stock Exchange from 1947 to 1953, the latter two years as Vice-Chairman. Mr. Foster succeeds Edward Rotan of Rotan, Mosle & Co., Houston, Texas.

David Scott Foster

Brittin C. Eustis, Spencer Trask & Co., New York, and Wendell W. Witter, Dean Witter & Co., San Francisco, were elected Vice-Presidents, and H. Lawrence Bogert, Jr., Eastman Dillon, Union Securities & Co., New York, Treasurer.

Governors elected to the Board of 35 are: Robert H. B. Baldwin, Morgan Stanley & Co., New York; John H. Brooks, Putnam & Co., Hartford; William C. Coe, Mackall & Co., Washington; Howard B. Dean, Harris, Upham & Co., New York; Bayard Dominick, Dominick & Dominick, New York; Brittin C. Eustis, Spencer Trask & Co., New York; John H. Hayward, Reinholdt & Gardner, St. Louis; J. Earle Jardine, Jr., Wm. R. Staats & Co., Los Angeles; Walter B. Levering, Carlisle & Jacquelin, New York; W. Bruce McConnel, Jr., Singer, Deane & Scribner, Pittsburgh; Blancke Noyes, Hemphill, Noyes & Co., New York; Robert A. Podesta, Cruttenden, Podesta & Co., Chicago; J. Emerson Thors, Kuhn, Loeb & Co., New York; and James Crane Kellogg, III, Spear, Leeds & Kellogg, New York.

Elected as the Nominating Committee for 1960 were: Robert J. Lewis, Estabrook & Co., New York; Walter F. Blaine, Goldman, Sachs & Co., New York; Benjamin H. Griswold, III, Alex. Brown & Sons, Baltimore; Jacob C. Stone, Asiel & Co., New York; and Lloyd C. Young, Lester, Ryons & Co., Los Angeles.

To Be Vice-President

Effective Dec. 3rd, Philippe P. du Pasquier will become a vice-president of du Pasquier & Co., Inc., 61 Broadway, New York City, as well as assistant treasurer. Mr. du Pasquier makes his headquarters in the firm's Paris office.

SECURITY SALESMAN'S CORNER *BY JOHN DUTTON*

How the Firm Can Help the Salesman

For many years the profession of salesmanship has been very much taken for granted; not only is this true in the investment business but in many other lines of endeavor. Yet, you hear the constant lament from sales executives that good salesmen are hard to find. There is acute competition between many organizations in all types of business in recruiting salesmen and those who have established high production records are in great demand.

Men who have the initiative to undertake the task of building a business of their own, often on a straight commission basis, are a hardy breed. The young men coming out of our colleges today are not very eager to take a straight commission job. Yet, some of the highest paid men in this day and age are straight commission salesmen and their incomes are based upon actual production and hard work. Nepotism, soldiering on the job, and larding up the boss, are not the way these men usually produce their income, security they buy for themselves with their life insurance, health, and retirement programs and through their own savings and investments. Quite frankly, any man who chooses a straight commission selling job in this day and age, and who makes good at it, is not the type of fellow who is going to be satisfied with anything less than top-flight cooperation from his firm. And he deserves it.

What a Good Salesman Deserves From His Firm

He should have a good foundation of training in all phases of his work. New men should be taught the fundamentals of the investment business and they should be instructed how to build a clientele. Any firm that is building its business properly recognizes that its salesmen are "It." When a salesman meets a prospective client his firm is judged by what he says, what he does and what he is. This is such a vital consideration that it is extremely difficult to understand how even some well established, large investment firms are still sending out representatives and hiring securities salesmen, who are not adequately prepared to undertake the task of building a clientele and to properly service their customer's accounts. The situation is improving however. The Investment Bankers Association of America has been working on this problem for years and anyone who wishes to learn more about the training programs that are available can obtain the information from them.

The sales training program should be under the direction of the sales-manager, or some other executive officer who is directly responsible for the results achieved in this important work. This man should know and understand the problems of the salesman, he should also be able to develop ideas that inspire and assist salesmen to achieve stature in their demanding profession. No sales manager should hold down a selling job himself or in anyway compete with his salesmen. He should be a full time guiding, directing, and supervising executive who knows selling and what makes salesmen tick. In this way he can work at his maximum capacity and help his men to produce up to their highest potential.

Compensation Should Be Adequate and Paid Regularly

The men who are producing the business should receive their commission checks on time. Their statements should be audited and sent to them with their commission checks. Mistakes, omissions and errors should be corrected promptly. No good salesman is going to be loyal or happy with a firm that makes him battle for his rightful earnings and this is something that requires no further comment.

Adequate Advertising Support

Every experienced salesman still needs the goodwill and the respected reputation of his firm to help him open doors where he may do business. Good salesmen can improve their score if they are backed up by advertising that keeps their firm's name constantly before the investing public. The direct mail, radio, and newspaper advertising that is directed toward customer services and that offers specific investment suggestions produces inquiries that in some cases can be turned into active accounts. Investing in productive advertising, steadily and continuously, is one of the best ways to build a business and good salesmen know it and appreciate it.

Research Should Be Effective

It is needless to say that no investment firm can afford to spend time and money building a clientele and creating an experienced sales organization unless they can satisfy the investment requirements of their customers. Very few busy and effective salesmen have the time nor the capacity to be their own statisticians. They need to be backed up by a research department that can make more good bullets than bad ones for them to shoot.

Conclusion

The man who takes a straight commission job these days has the courage, the initiative and the self reliance to become a productive and important member of any business organization. In the investment field he will only be happy with the firm that backs him up with good training, honesty, constructive advertising and competant research. It takes a capable salesman and a good firm to win the game today.

Lee Higginson Appoints Stewart

The investment banking firm of Lee Higginson Corporation, 20 Broad Street, New York City, members of the New York Stock Exchange, have announced the appointment of George D. Stewart as Manager of its New York Research Department.

Prior to his joining Lee Higginson, Mr. Stewart was engaged in research activities for the firm of Cyrus J. Lawrence & Sons. For the past five years he has served as an instructor at the New York Institute of Finance.

Mr. Stewart is a member of The New York Society of Security Analysts, Inc., and the Investment Association of New York.

Meeting and Surmounting Our Economic Challenges

By George M. Humphrey, Chairman of the Board, National Steel Corp., Pittsburgh, Pa.*

Former Secretary of the Treasury outlines some sobering thoughts to be kept firmly in mind if we are to achieve in the "fabulous sixties" what is so confidently expected. On the occasion of receiving the Wharton School Alumni Society's Gold Medal of Merit, Mr. Humphrey warns that so long as the cold war defense needs continue we must control and limit other governmental measures. Also he urges that we must maintain the integrity of the dollar, and foster foreign competitive developments with sound private or public financing and not through subsidies or tax favoritism. Depicting as our greatest single problem of the "sixties" the providing of huge investments to supply the capital required to make and maintain the jobs to keep our growing population employed, the industrialist urges husbanding our resources and providing an increasingly better economic climate.

We hear predictions of the "fabulous '60s" now on every hand. How great and how fabulous will they be? You can get as many predictions for fabulous opportunities based on as many surefire reasons for them as there are predictors. And each is sure that his estimate is correct.

Geo. Humphrey

However, the great preponderance of all the predictions paints a very rosy picture to contemplate. They all can cite many supporting arguments to uphold their convictions.

First we have our rapidly growing population with its constantly increasing demands, not only for more people to be served, but also for greater requirements for goods and services per capita as the '60s roll prosperously on.

We have also the rapidly increasing results of the vast expenditures of money and human effort in the tremendous research programs that are in progress, not only those sponsored by and at the expense of the government itself but also the vast number being financed and pushed on and on by industry, by almost every college and engineering school in the country, and by countless individuals all over the land.

We have the new and increasingly better ways of doing things and the better things that are being produced and demanded by the people resulting from this great research effort.

And we have the greatly improved financial positions and increasing living standards of so many millions of people in Europe in other places abroad, and even in some of the lesser developed areas of the world, all increasing their demands for more and more.

All these and many less persuasive but valid reasons give great support to the predictions so freely made of the forward march in the world and the great strides to be taken during the '60s that are just ahead.

But there are also a few more sobering thoughts that may well be kept firmly in mind if we in America are to fully participate in the advances and hoped-for prosperity that is so confidently expected.

Driving toward some actual accomplishment to better relationships in the world, toward a little firmer footing for lasting peace among the great powers, is the unswerving objective in life of the President of the United States. No personal sacrifice is too great, no trip too tedious, no physical or mental effort too severe for him to leave any stone unturned to move toward this great objective. No man is better qualified for the task and no one can hold greater hope of developing some progress toward such an accomplishment. The full and unqualified support of this country is behind him. And nothing would give such impetus to the realization of the hopes for the successful '60s as some degree of success for him would hold.

Its benefits would be reflected, not only in the moral and spiritual advancement of the world, but some relaxation in the current armaments race among the greater nations including ourselves would make for perhaps the greatest economic improvement that could possibly be realized.

Even Russia is feeling the increasing pinch of devoting so much of her manpower and productive capacity to military ends at the direct expense of more benefits for living for the great masses of her people. Their requirements for necessities and other desires were scarcely audibly expressed only a few years ago when the Secret Police and prison camps and the dread knock on the door in the middle of the night stilled any voice that might be overheard. But as such fears have been relaxed, it is evident now that more and more must be done for the betterment of life for the Russian common man. This increases the squeeze against continued excessive absorption for their military program. This rising tide may well be one of the most pressing reasons why the Russian approach to some sort of a rapprochement is apparently improving. In the meantime, the exchange of visits between the Russians and so many of our own people in various industries and other walks of life has clearly disclosed not only this increasing insistence of the Russian common man for more consideration, but it has also disclosed that their hopes are now being held in check only by promises of greater early performance as the Russian economy is made to prosper. Time and again, Russian visitors here have admitted that our people have much more for living, food, shelter, clothes, homes, automobiles and appliances by the score, etc., than they now have in Russia, but they always add, "In only a few years ahead we will far surpass you." This hope can only be realized through some reduction in their presently very burdensome preparedness program.

A Bold and Controversial Statement

The same is true for us. Our military and other governmental expenditures must become a smaller and smaller percentage of our entire economy if we are to preserve the individual freedom that we now enjoy. That is a bold and controversial statement, but I am convinced that it is absolutely true! We must, of course, currently spend whatever is required by existing conditions in the world to maintain military supremacy which with our allies is so clearly obvious that it will

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Meeting and Surmounting Our Economic Challenges

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deter aggression by any other power. That is precisely why the dedication of our President to the reduction of tensions in the world is so important. Only by reductions all around can our own requirements for reduction be safely made to the greatest extent. However, such reductions can properly be preceded and greatly supplemented by early and much more vigorous and effective elimination of duplication of roles and missions and competing programs and purchasing by our sprawling military machine. Real unification not only of forces but of objectives freed from divergent political pressures can give far greater military power for less money as progress toward this objective is made.

The reason this is all so absolutely essential is because most military expenditures are almost wholly made for the single purpose of providing military strength. Military strength in turn depends largely on numbers of men who while in military service provide for our security but while so engaged can contribute little if anything else to our economic life which has to support them. Men in service without modern military equipment are of less and less importance, and modern equipment is becoming more and more complicated and essential as well as costly as each day passes. Moreover, modern equipment is changing so rapidly and increasing so amazingly in effectiveness that its useful life is shorter and shorter. This means that to keep modern, we are involved in an almost continuous and endless process of constantly scrapping tremendous military expenditures and continually spending ever greater amounts to replace them. A more wasteful use of our resources cannot well be imagined. And yet we dare not stop! While present world tensions persist, we can currently only press harder and harder for better coordinated, more selective and effective, and less internally competitive, development of our military machine as a means of reducing its cost.

With this great, this presently necessary, waste of our human effort and materials, from an economic standpoint, it is doubly necessary that we intensify our efforts to better control the other pressures on our economy if we are to enjoy the predictions for the dynamic sixties.

We must make more progress than we have made in the past years of the cold war toward controlling and limiting other governmental expenditures.

Integrity of the Dollar

We must maintain the integrity of our dollar. It is the basis of trade, and trade is essential to a flourishing competitive economy.

We must control the inflation that has been stealing our savings and eating into the value of insurance and pensions and depreciating our money. And worst of all, which is scarcely ever mentioned, inflation is the thief that has put the push into the wage-price spiral that is pricing us out of world markets, and unless controlled can eventually steal thousands and thousands of our jobs.

We must balance our budget if inflation is to be controlled and if the inheritance of our once debt-free country is not to be impaired. The New Dealers used to say, "What difference does it make how high is our debt—we only owe it to ourselves." That never was true, but our growing obligations to the rest of the world are rapidly adding to our creditors from overseas.

We must soon achieve a better balance between our payments to and from the rest of the world. For the past decade, with only one single exception at the time of the Suez trouble, we have had a deficit in our balance of payments to other countries in the world, starting in 1950 with a deficit of 3.6 billion in gold and liquid dollars. It averaged about $1 billion a year for the next seven years. In 1958, it reached a figure of $3.4 billion, and in 1959 is running at an annual rate of almost $4 billion, making total deficits in the past ten years of about 17.5 billion in gold and liquid dollars.

This trend must be stopped or serious difficulties will eventually result. It is not yet too late to avoid trouble. But it is high time to take definite and determined action to halt the trend.

Normal competitive foreign developments that can stand on their own merits without subsidy from our hard-earned tax money are beneficial whether financed by private investment or good, sound Government loans, but it is high time to take another careful look at our newly created additional lending agencies and at our several increasing programs for gifts, grants, and softer and softer loans of our tax dollars to other people almost everywhere.

Further thought may also well be given to just where we are going with some of the current proposals to induce our own citizens through tax favoritism and other special advantages to expand and invest in foreign lands, employing their people there rather than our own to produce goods that might otherwise provide jobs here at home.

The growing differential in wage costs, and the fear of restrictions on imports in favor of the common market, the free trade area or into other countries are exerting such a growing pressure on American business to move part of its production abroad that our own employment problems here at home may be seriously affected.

Taking a broad and forward look at the coming sixties, several important conclusions seem evident:

Sees Some Obvious Conclusions

Our population is estimated to increase by 33,000,000 more people. They will all be consumers, but consumers are not necessarily good customers. Unless consumers can earn and pay their way, their consumption can be a drag on the economy instead of a boon to public progress and well-being. A sale which strengthens the whole economy is not fully completed until the goods are delivered and paid for by a consumer who can pay for what he buys.

This means that the sixties will make it necessary for us to create

an estimated 14,000,000 new jobs to support this great increase in our population. New jobs don't grow on trees, and can no longer be created for only "a weak mind and a strong back," as the saying went many years ago. Today a job that can pay competitive wages and provide a decent American scale of living requires not only human hands but expensive tools to work with. These tools are increasingly necessary and are growing more and more expensive all the time. A conservative estimate of the tools, plant and equipment required to provide each single job during the period of the sixties will approximate $10,000, which means that we are facing the staggering problem of providing $140 billion of new productive investment over the next decade. Moreover, far greater amounts than this new huge additional investment must also be raised currently for investment that is normally required for replacement, renewals, betterment and modernization of our existing productive machine that is being outmoded faster and faster by all the accumulating improvements and discoveries of our greatly expanded research activities. The greatest single problem of the sixties may well be that of providing the necessary huge investment to supply the modern tools and equipment to make and maintain the jobs to keep our growing population competitively employed.

Need for Better Economic Climate

We must husband our resources. We must provide an increasingly better economic climate. Our industry must be encouraged here at home. Our tax burdens must be reduced. Saving and investment must be stimulated by greater incentive and made increasingly secure and attractive.

The profit motive must be encouraged as the great incentive in our free competitive system of society to promote investment, risk taking, and the creation of more and better jobs to make more, better and cheaper things to continually improve our American scale of living and provide the well-distributed wealth for the great mass of the American people to both buy and pay for what they buy.

We are the greatest industrial country in the world. We live on the production and distribution of goods and services. We have the greatest home market in the world, but we must also both buy and sell abroad. We are now consuming more raw materials than we can produce in important lines, and that trend will be growing as time goes on so that we must sell some of our products abroad to pay for the raw materials we need. This, however, is only a relatively small part of our entire economy. Our great home market is the envy of the world.

This all means trade, and trade is the basis of our whole free competitive way of life.

Trade not only provides our livelihood. It pays for most of our military security. It pays for our educational and cultural advantages. It pays for our medical, health and benefit programs. It pays for our scientific research, and it is the principal source of income for our government and much that it does. Directly or indirectly, trade pays for almost everything that we have.

Trade requires sound money, and profitable trade requires competitive services and production. Competitive production means jobs, good jobs and well paid jobs, but not jobs no longer competitive because of monopolistic controls. Non-competitive jobs mean unemployment, and mass unemployment means the destruction of our competitive way of life.

We Must Meet Our Economic Challenges

The basic freedoms handed to us by our forefathers, first inscribed in our great Constitution right here in Philadelphia, protected by their blood in our great wars, and entrusted to our care for the greater enjoyment in life of our children and grandchildren, are all at stake.

They can be lost and forever destroyed unless we here now recognize our past and current shortcomings and act vigorously, promptly and determinedly to correct them.

The choice is ours. Have we the courage and ability to meet and surmount the economic challenges of this coming era?

I have unlimited faith in the American citizen. He is not following, he is way ahead of the politician. He runs his own affairs well. He knows that this country is nothing more nor less than millions like himself, and he wants the affairs of the nation run the way he runs his own affairs. That is the sound way. He is increasingly aware that the tax dollar is his dollar, and he wants his money's worth! He wants his job, and he's willing to compete with the world and win to keep it. He only wants the opportunity to lift himself and his family by his own efforts and ingenuity to a constantly better life and give his children a little better break in life than he had himself. He wants his individual freedom preserved to worship, to come and to go, and to run his own affairs as he thinks best. His voice will be heard! It will rise in a great crescendo to run this country soundly and well! And he will demand his right to enjoy the marvelous, prosperous sixties!

*An address by Mr. Humphrey before the annual dinner meeting of the Wharton School Alumni Society of the University of Pennsylvania, Philadelphia, Pa., Nov. 18, 1959.

R. W. A. Cooper Now With S. D. Fuller

Ronald W. A. Cooper has become associated with the underwriting firm of S. D. Fuller & Co., 26 Broadway, New York City, as Manager of the Institutional and Retail Sales Department.

Mr. Cooper was formerly with W. E. Hutton & Co. Prior to World War II, he was associated with the stock brokerage firm of Pim, Vaughan in London, England.

Electronic Stocks Subject of Forum

The Association of Customers' Brokers of New York will hold an electronic stock forum on Dec. 8th at 4 p.m. at Schwartz Restaurant.

Speakers will be Ray Frankel, Head of the Special Situation Department of Electric Bond & Share Corporation; Furman Nettles, electronic analyst for Shearson, Hammill & Co., and George Edgar, electronic analyst for Carl M. Loeb, Rhoades & Co.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

The so-called legacy letter written by Senator Taft to his lieutenants some months before his death absolving them of all blame for his defeat in 1952 has aroused considerable discussion among the politicos in Washington. His defeat for the Republican Presidential nomination was through no fault of their own, he wrote, they did not make any mistakes. Powerful Eastern interests he added, had been working for his defeat for several months.

Carlisle Bargeron

The letter has aroused interest because it is being interpreted as a warning of what may happen to Vice President Nixon next year.

The letter does not tell all. It does not tell the extent to which these eastern interests went, how they practically lined up nearly every large newspaper in the country. "Time" and "Life" magazines were the spearhead of the campaign. They worked up what they called the Texas Steal.

There were two delegations from Texas, one the regular Republican delegation which was for Taft and another made up solely of Democrats who had only a few weeks before the Republican state convention in Texas voted in the Democratic primary. They tried to walk in and take control of the Republican state convention.

When they were not permitted to do this, it was claimed the Republicans had stolen the delegation. The magazine "Life" carried a front page picture of the Republican leader in Texas, a great big fat man and the way "Life" portrayed him he looked like a typical political boss. Copies of the magazine were distributed at the national convention in Chicago.

What really frustrated the Taft forces, however, was their inability to break into the California delegation. They lacked only a few votes, less than 50 as I recall, to get the nomination.

The then Governor Warren who wanted the nomination himself held the delegation intact and later threw it to Eisenhower. He has been fully repaid by being given the chief justiceship of the Nation.

One man who could have broken the delegation was former Senator Knowland who was for Taft at heart. When Taft became ill, he chose Knowland to succeed him as majority leader. But Knowland, who had been appointed to the Senate by Warren, remained loyal. Had he come over to Taft he would now be President of the United States, of course.

Another letter Taft wrote to his lieutenants has not been revealed. In this, he expressed himself with his considerable force. He said that the Republicans should follow the conservative course it had always followed and quit bending to the Left. He, himself, had bent considerably in the latter years of his life. This, Taft admitted, had been a mistake. There was no room in this country, he added. for a leftist party and a near leftist party. There should be a clear cut division between the two parties. The country should be given a choice.

I suppose Taft's lieutenants see no reason to make this letter public.

The wounds in the party caused by the treatment Taft received at Chicago have never completely healed. Republican precinct workers throughout the country sat on their hands through the election of 1956 and 1958, although Eisenhower won handily in 1956. It was probably a good thing, though, that the Citizens for Eisenhower Movement was organized.

Since Sherman Adams left the White House, Eisenhower has seemed to be more of a Republican and it has had a heartening effect among Republicans all over the country. They have high hopes of winning the Presidency next year. It is mathematically impossible for them to capture control of Senate and it will take almost a miracle to win the House.

Nearly all Republicans heartily approve of Eisenhower's visit to three continents and 11 nations and apparently it has struck the imagination of the American people. The Democrats, some of their spokesmen, particularly Dean Acheson, have been critical of the trip, trying in some way or manner to get an issue out of it. Dean Acheson, who was formerly Secretary of State under Truman, would seem to be the worst one in the world to criticize any sort of policy the Republican administration might pursue.

Factors Affecting Stock Market

Major psychological factors affecting the stock market will be discussed by financial writer Harry C. France in a talk on investments at 11:00 a.m., Friday, Dec. 4, in the Town Hall Auditorium, 113 West 43rd Street.

The talk is part of Town Hall's 1959-1960 Investment Finance Forum Series, directed by Mr. France who has written an internationally syndicated column on investment finance for the last 27 years.

In tomorrow's lecture, Mr. France will cite specific cases in emphasizing that investors are ill-advised in invariably buying with rising prices and selling with their fall.

The next session of the current Forum, its fourth, will be at 11:00 a.m. on Dec. 18. Each session meets for an hour and a half. Admission price is $2.00 per person.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Government market is going into the waning weeks of the year with at least the usual amount of tax exchanges being made. In addition, it is evident that the demand for the higher coupon intermediate-term Government obligations continues to be fairly brisk even though these purchases are not being made in sizable amounts as they were when they first came into the market.

The action of the money and capital markets in the coming year, in the opinion of most money market specialists, will depend in no small measure upon the trend of economic conditions. It is being assumed in nearly every case that the steel strike will not be resumed, which means that the business picture will still be in an expanding phase. This will tend to keep the pressure on the money and capital markets so that no important changes are being looked for in the rates for either short, intermediate or long-term issues.

Short-Term Money Available

The money market absorbed they ear-end money raising issue of the Treasury very readily because there was a good demand around for this security. It had been underwritten in the main by the commercial banks, who were able to make payment for the 320-day Treasury bill through the tax and loan account. There still appears to be a not insignificant amount of funds seeking short-term commitments even though the year-end business demands, as well as the rebuilding of inventories which is going on now, would ordinarily keep the money market pretty much on the restricted side. This supply of short-term funds, however, is not expected to be around too long in spite of the fact that the turn of the year generally brings with it a somewhat easier money market, because of the repayment of loans which had been contracted the latter part of the previous year in order to finance the Christmas business.

Also, the return flow of currency from circulation after the first of the year usually has a tendency to make the money market a bit easier unless the monetary authorities step in and take credit out of the market.

Credit Stringency to Prevail

Because of the need for funds to finance the filling up of pipelines with inventories, which should mean that the business pattern will continue to be good, there is not likely to be too much in the way of surplus money and credit around. This will be true even though the powers that be do not go out of their way too far in absorbing the funds which will flow into the money market because of the somewhat lessened demand that comes with the ending of the Christmas period. Also, the Treasury will be in the market again after the start of the new year for new money and this could have a temporarily tightening effect, although for the first six months of 1960 as a whole the Government will not be taking funds out of the market unless there is a very much larger budget deficit than is now expected. This could mean a modest easing in near-term rates since the Treasury will be retiring debt instead of putting out new obligations.

However, it should be borne in mind that corporations during the first half of 1960 will most likely be sellers of short-term Government obligations in order to get funds with which they can pay income taxes and also in order to meet expanding cash needs. In addition, the commercial banks will probably be called upon to supply a larger volume of loans to meet the needs of an enlarging economy.

Therefore, it seems as though the demand for near-term funds is not going to decrease very much unless there is a resumption of the steel strike. Accordingly, it begins to look as though short-term rates are going to stay in pretty much the same range they have been in during the recent past.

Capital Market Acting Well

The capital market, after recovering from the sinking spell it went through early last Fall, seems to indicate it will stabilize at about current levels. The yield on medium and long-term Governments as well as those on corporate and tax-free obligations are high enough to attract the funds of both large and small investors. In addition, it looks as if offerings of Government bonds will not be forthcoming until the interest rate limit has been moved up from 4¼%. When the Congress will change this rate limit on issues with a maturity of more than five years is a matter of some conjecture, although it will have to come eventually with an increasing demand for money and credit. Also, the five-year or shorter maturity area is beginning to show signs of a bit of crowding.

Offerings of corporate bonds will probably decline somewhat in 1960, but the demand for capital funds for other construction and mortgages should still be sizable enough so that there may be little if any decline in long-term interest rates.

Wall St. Men Get Brotherhood Awards

Jerome Lewine of H. Hentz & Co.; Michael W. McCarthy, President, Merrill Lynch, Pierce, Fenner & Smith Inc.; and Clarence G. Michalis, Trustee, Seamen's Bank for Savings, were presented with the Brotherhood Awards of the National Conference of Christians and Jews for "distinguished service in the field of human relations" at a dinner in their honor sponsored by the organization.

Harold H. Helm, Chairman of the Board, Chemical Bank New York Trust Co., served as Chairman of the event. Dr. Lewis Webster Jones, President of the National Conference, expressed gratitude to the members of the financial community for their support over the years to the work of the organization in building goodwill and understanding among Protestants, Catholics and Jews.

Presentation of the award to Mr. Michalis was made by Kenneth Chorley, formerly President and now Chairman of the Executive Committee of the Colonial Williamsburg Project. The award to Mr. Lewine was presented by John A. Coleman of Adler, Coleman & Co., and to Mr. McCarthy by Jacob C. Stone of Asiel & Co.

U. S. Economy in the 1960's And Electronics Industry

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ment among the American people for a reduction of military expenditures, have raised questions about the future size of the governmental market for electronic products. In my opinion this market *will continue to expand rapidly*, although a smaller proportion of the governmental market will be represented by the Department of Defense and a rising proportion by the National Aviation and Space Agency, the Federal Aviation Agency, the National Science Foundation, and other civilian arms of the Federal Government. Because the Sixties promise to be a period of strong world tensions and protracted conflict between Communism and the West, as previously noted, there will be no real disarmament. However, a larger share of the scientific research and development activities formerly carried on by the military probably will be put under civilian agencies, and this will create an impression of curtailed Department of Defense expenditures.

The U. S. Government is now spending much money under the banner of "national defense" to promote education, science, and the civilian economy. These funds can and should be expended by civilian agencies. For example, the development of large rocket engines to power vehicles for space exploration, or the conduct of research in management science, should be civilian undertakings. The Soviet Union is reaping great propaganda values throughout the world by loudly proclaiming a reduction in its military budget; but it is spending a reputed 10 to 15% of its national income for "education" (versus 5% in the U. S.), and its new budget is reported to contain over $8 billion for "science," up 16% over last year. The U. S. is beginning to follow suit, as witness the transfer of the Redstone Missile Program from the U. S. Army to the National Aviation and Space Agency. Electronic manufacturers should be alert to this impending shift in the location of governmental electronic business. Those concerned with forecasting the future of the electronics industry should revise their methods to give a less crucial role to the Department of Defense. It is likely that Federal expenditures to strengthen the nation's security will rise nearly proportionally to the Gross National Product during the Sixties, and the electronic component of those expenditures will double. On this basis one may forecast tentatively a governmental market for electronics by 1969 of $8.5 to $9 billion per annum *versus* the $4.8 billion market of today.

(4) *Summary* — Before 1970 total annual factory sales of electronics products should mount to at least $22 billion—more than 2½ times the size of the current market. This implies an over-all average annual growth rate of about 10% during the next decade. By 1970 aggregate final products of the industry, including broadcasting, retailing, repair and other services, could well aggregate $37 billion. This would be 5.3% of a probable annual national product of $760 billion at that time.

International Trade in Electronics

Will the growing U. S. electronics market be supplied to a greater extent by Western European and Japanese imports during the next decade?

The answer to this question is probably in the affirmative; yet it is necessary to note immediately that electronic exports from the U. S. will probably more than offset rising U. S. imports. The diversity of electronic products is immense. Foreign manufacturers may be expected to acquire the techniques that will enable them to penetrate the American markets successfully with some products, as the Japanese have shown in transistors, and radio sets, and as the West Germans have done in hi-fidelity sound equipment. We must expect foreign competition to grow in products for which there are manufacturing techniques that enable foreign firms to capitalize on their lower labor costs per hour. On the other hand, American firms will find wider markets in foreign countries during the next decade for other kinds of electronic products, reflecting our special skills, our advanced scientific knowledge, and our superiority in the use of complex machinery for automating production processes.

While foreign countries now have the advantage of lower hourly wage rates, this advantage will narrow as other peoples demand higher living standards and push wage rates up. Moreover, American firms have been hampered in their quest for foreign markets by widespread discrimination against dollar imports, such as quotas, tariffs, and exchange restrictions. Now that dollars are plentiful in the world, these discriminations are being removed, and this will augment our exports. American electronic manufacturers would be wise to explore foreign markets aggressively. The conditions of doing busines abroad will get better during the Sixties, in a progressive world no longer short of dollars. The lesson of history is that we profit far more from competition and trade with prosperous nations than with poverty-stricken nations.

Conclusion

My vision of the U. S. economy and of the electronics industry during the next decade is frankly optimistic. Yet I do not wish to create an impression that vigorous growth and progress will come automatically. We will not get from 1960 to 1970 without sweat and tears.

Vital problems of national policy will confront our nation in the next decade. The postwar era of easy U. S. superiority is over. We confront intensive competition in the East and in the West. We must reorganize our economic life to strip away the subsidies, fat and inefficiency that would otherwise encumber us in the competitive struggle. I assume that the American people will solve their national problems with the intelligence and diligence they have shown in the past. Then we have cause for believing that the Sixties will witness a rapid growth of our economy.

Electronics is surely the most interesting of all American industries. It is a large industry; yet it is preponderantly an industry of medium and small firms, beset with many financial and managerial problems. Its scientific basis includes physics, chemistry, metallurgy, astronomy—almost all of the physical sciences. Its products are myriad, and unbelievably diverse. It carries on a large segment of the private research and development activity of the nation. It works at the "cutting edge" of national economic progress. It is the technological leader of electronics among the free nations. Members of this industry are fortunate in working at the very heart of economic growth processes, and in participating in an industry whose stature may well rise two and one-half times as fast as that of the economy during the next decade.

*An address by Dr. Jacoby before the Western Electronics Manufacturers Association, San Diego, Calif., Nov. 5, 1959.

Phila. Inv. Ass'n to Hear

PHILADELPHIA, Pa. — E. R. Leonhard, President of Paterson Parchment Paper Co., will be guest speaker at a luncheon meeting of the Philadelphia Securities Association on Wednesday, Dec. 9, at the Warwick Hotel.

Gordon L. Keen of R. W. Pressprich & Co., is in charge of arrangements.

J. Udi Davis

J. Udi Davis, associated with A. L. Stamm & Co., New York City, has passed away.

Philip J. Dwight

Philip J. Dwight, partner in Stillman, Maynard & Co., New York City, passed away Nov. 19.

John R. Milligan

John Raymond Milligan passed away Nov. 8 at the age of 74. Prior to his retirement in 1950 he was with the Bankers Trust Company of New York.

Aaron Cook

Aaron Cook, partner in Putnam & Co., Hartford, Conn., passed away Nov. 11.

RAILROAD SECURITIES

Great Northern

Earnings of Great Northern were depressed in recent months by the long steel strike and the consequent decline in shipments of iron ore and finished steel products. The road was able to operate in the black during this period. Iron ore produces about 7% of total freight revenues, although the tonnage moved represents about one-third of all traffic.

Total carloads handled in the first 10 months of this year showed a decline of 5% from the comparable period of 1958. However, the volume of high-rated freight traffic was higher, with lumber, grain and miscellaneous manufactures holding up revenues. Despite the drop in iron ore and steel shipments, gross revenues for the first 10 months amounted to $213,341,000 as compared with $210,982,000 in the like period of 1958.

Operating expenses during the first 10 months showed a rise of $5,673,000 or 3.6% above the comparable period of last year. This was mainly due to a continuing car repair program. This has enabled Great Northern to reduce its bad order freight car ratio to 2.9% which is one of the lowest in the industry and should permit the road to handle the expected traffic increase.

Iron ore shipments are expected to be heavy and there probably will be an all-rail movement of ore once the Great Lakes are closed to shipping. This should bolster earnings over the winter months.

The merger of the Great Northern and the Northern Pacific is still believed to be under consideration, although no official comment has been made in some time. Such a consolidation would provide greater efficiency of operation of both of the roads and produce considerable savings. Great Northern has attempted to reduce its passenger losses which last year showed a deficit of around $4,000,000 on a cash basis. Additional passenger service curtailment has been placed in effect this year and a larger scale reduction in this loss is anticipated.

Other income is of great importance to the road. Dividends from the 48.6% controlled Chicago, Burlington & Quincy have been running around $6,200,000 annually. Interest income from the 50% owned Spokane, Portland & Seattle of $1,200,000 annually is expected to continue. Great Northern continues to be in a strong financial position. On September 30, cash and cash equivalents were more than $62 million and current liabilities were $35,-921,000. Net working capital was $68,562,000 as compared with $62,-841,000 on the comparable 1958 date. The annual cash flow from depreciation is more than $14 million. This is some $4 million more than annual equipment trust maturities and sinking fund requirements.

For the full year, it is estimated that net income should approximate $4.30 a share and the $3 dividend is believed to be secure.

Lee F. Murphy Joins Ladd, Dinkins

NEW ORLEANS, La. — Lee F. Murphy, well known in municipal bond circles, has joined the investment securities firm of Ladd Dinkins & Company, National Bank of Commerce Building.

Lee F. Murphy

Formerly a practicing attorney, Mr. Murphy is now specializing in the underwriting and distribution of municipal bonds with Ladd Dinkins & Company. He has become widely known in Louisiana municipal bond circles during the past several years through his work as a municipal bond attorney. This legal work has given him many contacts with municipal authorities throughout the state.

Form H. L. Evans, Inc.

SAN ANTONIO, Tex.—H. Leslie Evans, Inc. has been formed with offices in the Milam Building to continue the investment business of H. Leslie Evans Securities. Officers are H. Leslie Evans, president; John F. Gilmartin, vice president; and Mrs. Patricia J. Anderson, secretary-treasurer.

Barometric Factors in The Bond Market Outlook

Continued from page 1

financing that it has in the past 18 months and have no more scars to show for the experience. During the recent recovery period, when private credit demands were strong and increasing, the Federal Government financed the largest deficit in its peacetime history. From a modest deficit during the recession phase of the cycle, the Federal budget deteriorated to a $13 billion cash deficit in the fiscal year ending last June. All of this financing was thrown, more or less by practical necessity, into the short-term sector of the credit and capital markets. This pressure on short-term rates, when coupled with the demands of private borrowers and the efforts of the Federal Reserve to resist further sharp expansion in the money supply, sent short-term interest rates sky-rocketing. Nor need I emphasize how much the congested situation in the short-term market intensified the weakness already present in the intermediate and longer-term sectors of the capital market.

Still another, and in this country at least, very new force grew to importance in the interest rate equation during this period. Investors in our capital market became sensitive to the implications of loose Federal finance and the poor record of our dollar's purchasing power. There began to be a great deal of serious discussion and question about the advisability of investing in long-term fixed income securities except at yields that included a substantial premium for an expected further erosion in the value of the dollar. Investors flocked to the stock market as an inflation hedge, and we heard some fascinating analysis of the advantages of buying growth issues even at prices that seemed to discount all foreseeable growth for the next decade.

This attitude, which was important with both foreign and domestic investors in our market, even reflected here and there some expectation of a devaluation of the dollar in terms of gold, in view of our continuing adverse balance of payments situation. Unfortunately, this point-of-view was strengthened by the fact that our price level on the average had failed to come down in the 1958 recession and prices were again threatening to move upward under the pressures of the new boom. At the same time a large and vocal group in Congress seemed oblivious to the realities of sound finance and determined to eat pie-in-the-sky, no matter at what cost to the short-run stability and long-run health of our economy—but definitely not at over a 4¼% cost in the market for maturities of over 5 years.

Recent Favorable Developments In the Credit Markets

All of these new forces in the market teamed up with the normal build-up of private credit demands in a recovery period and with some abnormal credit demands associated with the huge build-up of steel inventory before the strike. The result in the money and capital markets was a succession of shock-periods over last Spring and Summer, each of which pushed interest rates to new high ground. The climax, at least thus far, came in September when the credit markets were either digesting or anticipating huge demands from almost every conceivable user, including consumers, mortgage borrowers, businesses, State and local governments, foreign borrowers, and by no means least the Federal Treasury. The latter, you will recall, was looking for $4 billion.

Then, after the credit squeeze in mid-September, the money and capital markets moved abruptly into an atmosphere of comparative calm. We have indeed experienced a sizable price rally from the lows of September, and for the moment there seem to be no sizable forces operating to push the market very far either way. Is the storm over? Or are we in the hurricane's eye?

The steel strike has introduced some financial as well as business distortions to complicate the job of the bond market forecaster. Some operating funds for steel and related industries were not needed temporarily for that purpose and became available for investment in the money market. Others who typically are large users of credit during the Fall season have needed less money this year because of the strike. Moreover, the entire business picture seems less sharply focused, and there are even some who fear that the strike has taken the edge off the business recovery and boom. It is easy to place a good deal of the improved tone in the bond market since mid-September on the uncertainties generated by the prolonged strike.

An Equilibrium Area of Interest Rates?

Does the recent behavoir of the money and capital market give us any reason to hope that we have attained a level of interest rates and of monetary restrain that is adequate to contain or balance the various inflationary forces with which we have been contending? There are at least a few important signs that this may be the case. First, to many investors it no longer seems obvious that money should be invested in stocks in preference to fixed income securities. Indeed, investors have, in many cases, shifted the focus of their investment policies in favor of bonds, at prevailing interest rate levels and stock prices. The stock market reflects these changes in attitudes.

The Federal Reserve authorities have apparently found a degree of restraint adequate to contain monetary expansion. With a $400-$600 million range of net borrowed reserves, and at a discount rate of 4%, there has been no net growth in bank credit since last Spring, after allowance for seasonal movements, and since mid-Summer we have seen some contraction. Probably this contraction has reflected the chewing up of steel inventory. But, at least, it is worth pondering whether monetary policy will need to be tightened further, assuming that business activity merely resumes a steady strong growth and does not reach a blow-off pace.

Even in the area of Federal finance there have recently been some encouraging developments. Probably somewhat to its own surprise, the Treasury has found a badly needed group of new buyers for its securities. At around 5% return, many small individual savers seem to prefer owning intermediate-term Treasury securities to holding their funds in savings institutions where they earn only from 2½% to 4%. Since the latter rates are limited by various state and Federal regulations, it may be that the Treasury can tap such savings funds at its own discretion, thereby obtaining directly the funds it has had little or no success in attracting when these are channeled through the savings institutions. Such a finding has some far-reaching implications. It suggests that there may be some strong forces limiting the rate rise on intermediate and possibly longer-term Treasury securities. At the same time it also raises some questions about the availability of credit for the private capital and mortgage market, should events require the Treasury to make aggressive use of such financing techniques.

We may be entering a new era in the operation of the capital market, as far as ownership of Treasury securities is concerned. It has been true in the past that Treasury efforts to obtain savings funds merely chased other capital market and mortgage rates to higher and higher ground. It may now be the case, at present rate levels or slightly higher ones, that, should the Treasury need to, it could obtain these savings funds in substantial volume—in effect by pre-empting them from private borrowers. This development could have far-reaching significance for many savings institutions and for private borrowers. It does help support a thesis that rates on intermediate Treasury securities may not need to push up much from the present 4⅞% to 5% area.

There are also factors, on the other hand, that may prevent much of a decline in rates, at least over the period immediately ahead. It we can assume for the moment that over the next several months labor unrest does not keep the economy from moving ahead (and this is an assumption that could easily prove wrong) it would seem reasonable to expect credit demands from private borrowers to remain strong and even to enlarge. An expansion of business borrowing would probably accompany the rebuilding of inventories of steel and related items. Availability of durable goods, especially autos, could carry further the recent sharp growth in consumer instalment credit, possibly even at an accelerated pace. Demand for mortgage credit now seems great enough to take up all the funds that are likely to become available in that sector of our credit markets. State and local government financing shows no signs of tapering off from its strong pace. Even business borrowing in the capital market may enlarge, considering the high level of capital spending intentions for 1960 and the increasing disposition of commercial banks to discourage businesses to borrow from them for capital spending purposes.

Taken together, these possibilities do not suggest that we need expect any change in private credit demands that would permit a material easing in interest rates, again assuming labor peace in our key industries. The improved position of our Federal budget is, of course, a factor that should take off some pressures on the money and capital markets. But the better Federal budget situation may be needed to offset an intensified demand for credit from private borrowers and net selling in the market to raise money for private spending programs. Moreover, the Federal budget picture can be viewed in a way that makes it seem little more than neutral. In the first six months of 1960 we may expect a cash surplus of, say, $6 billion. The Treasury, however, has already anticipated this surplus of tax receipts by borrowing — we now have $6 billion of tax anticipation bills maturing in March and June. So the Treasury will have no surplus funds to retire other short-term government securities should corporations decide to use part of their huge holdings of these to finance inventory accumulation or capital spending.

When such a development occurred in 1956 and 1957, the Treasury had a large actual budget surplus with which to retire corporate holdings, a happy situation that will not be duplicated in 1960 should that problem face the Treasury again. It has been a favorite indoor game in the government securities market to speculate as to who would buy the short-term securities, if business corporations should find it necessary to sell in any substantial volume. The problem may seem less immediate now than it has from time to time in the past, but it still bothers some people on cold, windy, moonless nights.

Non-Market Factors May Dominate Market Future

There are at least two uncertainties overhanging the money and capital markets that could be of immense importance to market developments but that are not subject to easy analysis by most market participants, and certainly not by me. One of these has to do with the current and prospective labor - management difficulties; the other turns on the fate in Congress of the 4¼% ceiling on Treasury financing for maturities of over five years.

It is possible that strikes in key industries such as steel, aluminum, and railroads could so cripple current business that the forward momentum of the economy could be lost. A stagnation of activity could develop that would carry with it a decline in interest rates generally. On the other hand, should management attempt to buy labor peace by inflationary settlements the reaction both at home and abroad might take us back to the situation prevailing some months ago, when investors were wary of fixed income securities and when discussions about the future of the dollar always seemed to take a sour tone. Such a development would mean higher interest rates, reflecting both an investor reluctance to buy or hold intermediate and long-term bonds and an attempt by the Federal Reserve to do what it could to resist further deterioration in the purchasing power of the dollar. I hope that labor and management will both show the economic statesmanship needed to see us safely through this critical period in our nation's economic history. Our present laws and institutional arrangements are not particularly well suited to produce this result, however, and I hesitate to advise anyone to count on it.

With respect to the 4¼% ceiling on Treasury bonds, the outlook seems perhaps even less encouraging. At the present time, yields on long-term Treasury bonds are out-of-line with those in the rest of the capital market, since no new bonds can be issued under existing conditions. What modest demand there is for the outstanding securities at these yields is about matched by the small amount of selling holders are willing to do at the substantial losses involved. A change in the law to permit the Treasury to compete for funds in the long-term market would naturally lift yields somewhat on outstanding long-term Treasury issues. Also, if the Treasury were successful in obtaining such funds, there would be some initial reaction in the yields at which other borrowers might finance in the long-term sector.

Yet the fact that Congress would pass such legislation and the evidence of determination in the Treasury to use the authority to achieve a sounder debt management posture would certainly go a long way to re-assure investors at home and abroad that this country means business when it comes to defending the dollar. The Treasury would have to be bold in its first use of such new authority, but I doubt that it would need to go to 5% on a long bond. One truly successful financing might tone the whole long-term market and materially enlarge the total supply of long-term funds available in the capital market. Such a development might settle yields in the private capital market at levels not far from those now prevailing, and perhaps below them, even allowing for some reasonably good sized long-term financings by the Treasury.

Many people seem to expect that the Congress will lift the 4¼% ceiling when its members return to Washington next January. Let us hope that if they are disappointed their reaction will not touch off a renewed wave of pessimism about the future of the dollar.

In summary, over the several months ahead there is a basis for expecting that existing monetary restraints and the prevailing level of interest rates will continue to be roughly suited to containing monetary and credit pressures. One might reasonably conclude that the most probable pattern of development in the money and capital markets would be general stability within a range of prices and yields bounded perhaps by the levels of last September, on the one hand, and the levels of the high point of the price rally in October, on the other. Fluctuations might in large part be due to ordinary seasonal developments, with perhaps some tightening coming in December, especially in the shorter sector of the market.

Yet there are enough areas of doubt on issues and developments of key importance—doubts on issues that hardly lend themselves to ready economic analysis — to make even such an innocuous conclusion a highly risky one.

*An address by Mr. Youngdahl before the Fall Meeting of the Pennsylvania Bankers Association at Pittsburgh, Pa., Dec. 1, 1959.

The Security I Like Best

Continued from page 2

which has added several thousand customers to the company's service area.

At present the market for natural gas, both firm and industrial, within the company's service area is approximately 300,000 mcf per day. The consulting engineers' report estimated that the company would make its legal rate of return in its third year of operation on the basis of its present contract quantities of gas of 25,000 mcf per day. This was based on no excess gas above firm contract quantities from its supplier. Experience shows while the company has been in operation, excess gas is available during a great portion of the year, and that the company will be able to supply a large part of its industrial market. The peak day sales during the first year of operation ran 32,000 mcf per day, and it is estimated that the peak day sales for the second year in which the company is now operating will approximate 40,000 mcf per day.

The company has been franchised to serve the coastal towns of Conway, Georgetown, and Myrtle Beach. It is expected when the company begins this expansion program in the new area, additional financing will be required.

For the first seven months of the company's second year of operation, April 1, 1958 through Oct. 31, 1959, the company showed a net profit of $20,600 after all charges, including income taxes and a special accrual of auditing expense of $2,400. The next five months, Nov. 31 through March 31, 1960 being the winter season, should be most profitable as the demand for gas naturally increases greatly during this period.

It is too early to make a prediction on per-share earnings for the current year ending March 31, 1960, but based upon the rapid growth and industrial expansion taking place in the service area, it is expected that earnings will be very satisfactory.

New Blair Office

TYRONE, Pa.—Blair & Co. Incorporated has opened a branch office in the Jones Building under the management of Gerald T. Nolan.

AS WE SEE IT *(Continued from page 1)*

reported hourly pay to wage earners, and to remember that all such changes far understate the revolution that has occurred since the end of the war. The drastic rise in wages and, for that matter in consumer prices, in the immediate postwar years may, perhaps, be regarded as a delayed adjustment to drastic changes in many aspects of our life during the four years of global conflict. Changes which have taken place since 1950 can, however, hardly be explained away in any such manner. According to the figures of the Bureau of Labor Statistics the average hourly wages in manufacturing stood at $1.465 in 1950; in September of this year the figure was $2.22, an increase of about 52% in less than a decade. In all the circumstances it is hardly strange that the prices consumers have to pay for what they need in their day-to-day living rose sharply also over this period of time. The fact is, though, that this increase, at about 22%, was less than half that in hourly wages. Similar figures could, of course, easily be cited for other industries, but the general course of change would be the same.

Let no one suppose that this general development has come to a halt either by reason of the late recession or for any other cause. The fact that consumers prices continued to rise throughout the recession has been noted by various commentators—notably by some who wished to embarrass the Administration. But the fact that wages—even when we take no account of fringe benefits—continued to move upward has not received so much attention. Yet the official figures for manufacturing show but a slightly smaller increase in the compensation of employes during 1958 than had been usual in the immediately preceding years, and by September of this year the upward course had resumed the pace which characterized virtually all the years during the past decade. The same is by and large true of the other branches of business, some of which as a matter of fact have outpaced manufacturing.

What all this has done to the distribution of income is evident from the national accounts. In 1929 roughly 58 cents out of every dollar of national income went to employes in payment for their services. This included a very small amount of so-called supplements, such as pensions and some other odd items. In 1958 more than 70 cents from each dollar went to men and women working for wages or salaries—and something like $17.4 billion or 7% consisted of fringe benefits of one sort or another which, however included but a part of such benefits. Naturally, the higher remuneration of wage and salary earners had to be offset by a reduction in the shares of those who provided the employment. The fact of the matter is that so much must now be paid out in wages it probably would not have been possible for business to keep solvent, had not prices that producers could get for their products continuously risen.

Anything but Constructive

Now if the New Deal doctrines of economics and public welfare are accepted at face value all this is to be put down on the profit side of the ledger, but what absurd reasoning it is that leads to any such conclusion! Let us see who it is that have had to have their share of the product reduced in order that wage earners might get more. First of all there are the proprietors (non corporate) who provide employment and pay salaries and wages. Most of them are relatively small business men in one trade or another. Is there any reason to suppose that a transfer of a part of their share of national income to their employes in any way promotes prosperity or public welfare? We can not imagine what such a reason could be. Then there are the individuals who own and rent houses and what not for what is known as rental income of individuals. How does a transfer of some of their usual portion of the national income to other individuals promote public welfare? To ask such a question is to answer it. Then there are the individuals who have saved and invested their savings in such a way that they now draw interest. Surely there is neither social justice nor public welfare in hurting them.

Corporate profits are another category. The rabble rouser among the politicians is fond of trying to make the public believe that a reduction in these gains in favor of the wage earner or any one else would be good for us all. But, of course, this reasoning is the height of nonsense. A very substantial part of corporate profits go to Uncle Sam in taxes in any event. The remainder is either paid out in dividends to individuals or else put to work to improve processes or to enlarge productive capacity.

Regardless of the outcome in the steel industry, we need to take another and a close look at wage trends.

International Telephone And Telegraph Corp.

By Dr. Ira U. Cobleigh, Enterprise Economist

A short review of this unusual company, far more of an electronic than a telephone company; and uniquely situated to benefit from progress within the European Common Market.

One of the brilliant companies launched in the storied 1920s was International Telephone and Telegraph, designed to perform, in many countries of the world as a holding company for the operation of telephone properties, much after the manner of American Tel. & Tel. in the United States. The grand corporate dream was magnificent and the enterprise attracted a wide following among investors—so much so that IT&T common sold in 1929 at a very fancy high, 281 (before a 4-for-1 split). (The stock was split 2-for-1 this year.)

Ira U. Cobleigh

In the decade since the scrip has changed enormously. Until World War II the company did, in the main, operate telephone properties and provided international cable services in several European and South American nations; and it manufactured much of the equipment required by these utilities. Postwar, a number of operating companies in Europe were confiscated or expropriated so that, in 1958, telephone and radio service delivered but 7% of total IT&T revenues. Today IT&T operates telephone companies with 540,000 sets in service in Brazil, Cuba, Chile, Peru, and Puerto Rico. In general the long range growth prospects for this Latin American phone service are excellent, and there's a waiting list for 300,000 sets on order.

It's a rare year, however, in which some Latin republic doesn't "act up" politically. This year it's Cuba. Here IT&T owns 65% of the common stock of the phone company operating more than 170,000 telephones. The wrong number here, however, is Castro. Under his hirsute political mismanagement, rates were slashed arbitrarily, the government is virtually running the property; and this Cuban equity which accounted for 12c a share of IT&T net in 1958 will produce little or nothing in the way of profit this year. So much for the clouds on the horizon.

Fortunately, however, IT&T has, in its larger operations, some bright and exciting vistas. IT&T is the largest American-owned enterprise engaged internationally in research, production, installation and maintenance of communications systems; and in the manufacture of a broad line of electronic hardware and electrical equipment. The company also owns a controlling interest (58.2% of the stock) in American Cable and Radio Corp., providing telegraphic service all over the world.

Totally the IT&T system is huge, with annual gross earnings well in excess of $700 million, over 130,000 employees, 29 manufacturing and research divisions in 23 countries. Of total employees, over 100,000 are employed outside the United States. Component companies have been operating in every European country (except Luxembourg) for decades, and in Belgium and Great Britain for three-quarters of a century.

A catalog of all the products turned out in the 101 plants of IT&T, spread over the globe, would stagger (and probably bore) you. The manufacturing high spots, however, may prove interesting: (1) everything to run telephone and telegraph central offices and service — dialing and switching systems, sets, lines, cables, including coaxial ones, and teleprinters; (2) everything for radio, radar, television broadcasting and transmission but commercials, plus air and marine navigational systems; (3) complete electronic systems to guide and control missiles, run computers and data-processing automatons, post office letter culling, sorting and facing systems, infrared devices, and bank record systems, (4) a thousand electronic gadgets such as condensers, diodes, transistors, transformers, semi-conductors, picture tubes and microphones. In sum IT&T is in everything electronic for wire, wave, warning or warfare.

There are a number of exciting end products of this arsenal of electronic hardware. There's the fully-automated Post Office IT&T is building in Providence, R. I. at a cost of over $20 million. This draws upon inventions of its Belgian and German subsidiaries to do for letters in transit what the assembly lines in Detroit do for motor cars. There's the contract to develop and equip a worldwide communication and control system for Strategic Air Command; a global network for the Air Force to be kept up-to-the-minute, over the next decade, with the latest developments in sophisticated electronic communication, including, no doubt, space satellites and rocket radio senders. There's an atomic clock, extremely useful in the precision timing necessary for missiles and satellites, so accurate that it will vary only three seconds in 1,000 years. (This is far too precise for New Haven RR. commuters!) On earth and in space IT&T is out front in communications, due principally to research and development. In 1958 the company spent $55 million on R and D, $32 million of it provided by its customers, principally governments — our own, and others of the free world.

The European Common Market is believed to hold great promise for American companies operating there. IT&T serves and operates in all of the six member nations, and Western European operations accounted for 40% of 1958 net income. The advantage of this Common Market include low cost labor (roughly one-third of American wage scales), prosperity and high and rising living standards in the subject countries; relaxed exchange controls permitting greater monetary fluidity; the absence of tariff barriers; lowered production costs permitting highly profitable exports to the United States. Unlike many other American companies seeking the foregoing regional advantages, IT&T doesn't have to migrate; it's already well established there with plants, customers and reputation.

Analysts who have viewed the reports of IT&T from year to year have been just a bit unhappy that net income has not risen hand-in-hand with gross revenues. For example, in 1953, the company grossed $408 million which it converted to $22.4 million in net income. In 1957 gross had swelled more than 60% to $653.5 million, yet net was exactly the same as five years earlier, $22.4 million.

What was needed, obviously, was improvement of this ratio of net to gross. Accordingly when new top management personnel took over last summer there was a broad feeling that IT&T could look forward to significant gains in profitability. Up to now the common has never earned $2 a share (the closest was $1.96 in 1956). This year there's a good chance of hitting the $2 mark. The first half figure was 93c and improving profit margins should deliver $1.07 for the current six months.

Capitalization of IT&T consists of $40.5 million in long-term debt of the parent company and $120.5 million of the former $12½ million is in 4⅞% convertible debentures, convertible into common at $18.50 per share. These sell at a gaudy market premium (about 211); and assuming their full conversion, there will be outstanding 16,078,000 common shares. These are listed on the New York Stock Exchange and currently sell at 39 with a $1 dividend. On this basis IT&T is selling at about 20 times earnings—a quite moderate ratio when compared with other major electronic equities of quality.

By virtue of its far flung enterprises, its dominant position in European Common Market, its leadership in research and development, its improving cost controls and its highly competent management, there is much reason for taking a constructive view about IT&T common.

Symonds Chman Of "Invest in America" Week

PHILADELPHIA, Pa. — Gardiner Symonds, Board Chairman and President of the Tennessee Gas Transmission Company, Houston, Tex., has been elected National Chairman of 1960 Invest-in-America Week, to be observed throughout the nation April 24 through April 30.

Gardiner Symonds

Mr. Symonds' appointment was announced by Frederic A. Potts, President of the Philadelphia National Bank. Mr. Potts is Chairman of the Board of the permanent National Invest-in-America Committee.

Started in Philadelphia in 1950 and extended to more than 200 communities in many States, Invest-in-America Week emphasizes the importance of thrift and savings to our nation's continuing growth. Theme for the week is "Money at Work Means Men at Work."

Folger, Nolan Co. Executive Changes

WASHINGTON, D. C.—Effective Nov. 16th, John Clifford Folger, President of Folger, Nolan, Fleming-W. B. Hibbs & Co., Inc., 725 15th Street, N. W., members of the New York Stock Exchange, became Chairman of the Board. On the same date, James Parker Nolan became President and Treasurer; Robert W. Fleming became Executive Vice-President and Secretary, and Temple C. Slaughter became Assistant Vice-President.

W. A. Davis Opens

MILLSTADT, Ill. — Wilbur A. Davis is engaging in a securities business from offices here. Mail address is Route 1, Box 112.

Harris, Upham Opens Miami Sales Office

MIAMI, Fla. — Harris, Upham & Co. has announced the opening of a sales office in The First National Bank Building at 100 Biscayne Boulevard.

James F. McKillips, Jr., formerly associated with Lord, Abbett & Co. in New York and A. M. Kidder & Co. in Miami, has been placed in charge of the new Harris, Upham sales office. Mr. McKillips at one time was assistant to the Chairman of the Republican National Committee.

M. E. R. Keiffer Opens

KANSAS CITY, Kans.—Max E. R. Keiffer is conducting a securities business from offices at 3041 Fairfax Trafficway.

MUTUAL FUNDS

BY ROBERT E. RICH

Another Dimension in Service

It has been one of the true strengths of the mutual fund industry that, as the investor has become more sophisticated about his special financial planning, the funds have constantly turned up new ways to smooth his way in attaining his goals. For almost any financial objective imaginable—building capital through risk, assuring income, enforcing saving or whatever—there is today a fund or a fund plan to meet the need.

One of the most unique of these investor services if offered by *Fiduciary Mutual Investing Co., Inc.*, a relatively small open-end investment company which reported total net assets of $7,950,863 last June 30. Because the fund is managed by Fiduciary Trust Company of New York, FMI has been able to come up with a special trust service for its shareowner. At its disposal are the resources of the trust company itself, which has as its regular clients trusts, estates, individuals, institutions and their beneficiaries. Fiduciary Trust Company admits to having more than $500,000,000 entrusted to its care.

Although trusts have customarily been thought of as services for the very rich, FMI believes they have important advantages for persons of moderate means as well. While the tax advantages may be relatively less important to this latter group, trust arrangements do have other tangible benefits. At the death of the creator of the trust, his beneficiaries are able to avoid the delay, publiciy and expense of probate court procedures. The trust service also allows the creator a greater assurance that at least a portion of his estate will be disposed of as he wishes.

How does FMI's system work? For new and prospective shareowners, the fund includes in its prospectus a description of the plan and a specimen copy of the trust agreement. When shares are purchased, the Fiduciary Trust Company, upon request, will execute an agreement to take them into trust. The shareowner has a good many options as to how his principal or income or both may be paid. He may choose to have income or a fixed monthly payment go to himself until his death, his widow until her death and then to surviving children. He may choose to accumulate both income and principal for some future specific purpose, such as the education of a child.

Even though FMI has gone out of its way to simplify its trust service, it does admit to certain difficulties. Explains FMI Vice-President Morton M. Banks: "Any investor who contemplates setting up a trust should discuss it with his lawyer before signing the instrument. There are questions about local laws, gift taxes and many other things which can result in unforeseen circumstances unless a qualified attorney is consulted. . . . The legal effects of the trust provisions and the general effect of the trust agreement must be fully understood by investor and salesman alike before the agreement is completed."

One other obstacle, of course, is the relative lack of understanding many individuals have about the importance of establishing a trust. In this regard, FMI and its salesmen clearly have their work cut out for them. Still, the fund deserves plaudits for its pioneering and for adding one more valuable plan to the fund industry's growing list of investor services.

The Funds Report

All but one of the seven mutual funds of the **National Securities Series** registered declines in per share asset values during the six months ended Oct. 31. Showing an increase from $8.29 to $8.43 over the period was the **Growth Stocks Series.** Other series and their declines: **Bond,** from $6.11 to $5.73; **Balanced,** from $11.16 to $10.83; **Preferred Stock,** $8.31 to $8.05; **Income,** from $6.49 to $6.32; **Stock,** $8.98 to $8.76, and **Dividend,** from $4.50 to $4.15.

A per share distribution from realized gain of 57¢, largest in the 21-year history of **Lexington Trust Fund,** was paid Nov. 16 from profits realized from the sales of securities during the fiscal year ended Oct. 31, the fund announced in its annual report.

* * *

The One William Street Fund, Inc. is continuing its acquisition of personal investment holding companies. Its latest purchase, made Nov. 20, is Wallau Corp. of New York. Wallau transferred assets of approximately $4,290,000 for 298,767 shares of One William Street.

* * *

In the fiscal year ended Oct. 31, **Investors Stock Fund, Inc.** boosted its net assets from $379,942,492, equal to $15.23 per share, to $559,538,851, equal to $16.53 per share. The later per share figure excludes a 30¢ capital gains distribution paid during the year. Over the fiscal year, the fund increased the number of its shareholders from 116,436, to 160,380 and the number of its shares from 24,951,314 to 33,851,431.

* * *

National Securities & Research Corporation has mailed to its salesmen a special bulletin entitled "How to Make Your Tax Advantages Count." The pamphlet, to be given to clients and prospects along with a prospectus, is intended to help individuals take advantage of tax changes before the end of the year.

* * *

Net assets of the three funds in the **Broad Street Group of Mutual Funds** have topped the $300,000,000 mark for the first time. The funds and their assets: **Broad Street Investing,** $163,031,000; **National Investors Corp.,** $127,167,000, and **Whitehall Fund, Inc.,** $11,845,000.

* * *

Lexington Trust Fund, reporting for the fiscal year ended Oct. 31, disclosed that is assets per share declined to $11.37 from $11.74 during the 12 months. This, however, excludes a 57¢ per share capital gains distribution paid in fiscal 1959.

* * *

Guardian Mutual Fund, Inc., which was almost fully invested in common stocks and other equity type securities a year ago, shifted its portfolio late in the summer and now has about 20% of its assets in short- and medium-term U. S. Treasury obligations. Says President Roy R. Neuberger: "In view of . . . the fact that the stock market as an entity has reached a high level on the basis of earnings and yields, the management feels that an above average investment performance will require the utmost care and discrimination in the reappraisal of existing holdings and in making new purchases."

Total assets of **American Mutual Fund, Inc.** increased by 23,112,927 during the fiscal year ended Oct. 31 to hit a record high of $118,033,798 at the close of the period. Net assets per share increased from $8.47 to $8.84, exclusive of a 63 cents per share capital gains distribution.

* * *

The 10 largest holdings of **Dividend Shares, Inc.** at Oct. 31 were: International Business Machines, International Paper, U. S. Steel, Texaco, Standard Oil of New Jersey, Sears, Roebuck, Union Carbide, Standard Oil of California, Reynolds Tobacco and Federated Department Stores. Five of these stocks — Sears, Standard Oil of New Jersey, Union Carbide, Texas Co. and International Paper — were among the fund's 10 largest holdings 10 years ago.

* * *

Boston Fund, Inc., which purchased $7,000,000 in long-term bonds during the three months ended in July, added another $5,600,000 in these securities to its portfolio in the October quarter. Explained President Henry T. Vance: "The fund has taken advantage of the opportunity which currently exists to acquire bonds at relatively high rates of return."

Auchincloss, Opens Newark Branch

NEWARK, N. J. — Auchincloss, Parker & Redpath, members of the New York Stock Exchange and other leading Exchanges, has announced today the opening of a branch office at 60 Park Place.

George J. Haney heads the new Newark office. Account executives at the Newark office are Clifford E. Moss, Leo Blidner, John Henkel Jr., Maurice Warner, L. A. Schwartz and Nathan Shapiro.

Mr. Haney formerly was a partner in Kerbs, Haney & Co.

R. C. Cook Opens

HATTIESBURG, Miss.—Robert C. Cook, Sr. is conducting his own investment business from offices in the First Federal Building. Mr. Cook is president of Southeastern Securities Corp.

N.Y. Inv. Ass'n Issues Fin. Volume

The Investment Association of New York has announced the issuance of a symposium of articles covering the nature and operations of the financial world. Originally issued by the *Yale Daily News* in 1955 under the title "Wall Street 1955," the collection of articles has been expanded and brought up to date by the Investment Association of New York and is entitled *Wall Street—20th Century.* This non-profit publication will include remarks by President Eisenhower; specially contributed articles on all phases of Wall Street by such dignitaries as Bernard M. Baruch, Secretary of the Treasury, Robert B. Anderson; U. S. Senator Prescott S. Bush; Federal Reserve Chairman William McC. Martin; New York Stock Exchange President G. Keith Funston, and the President of the Investment Bankers Association of America, William T. Kerr. The project has been underwritten through contributions of many Wall Street firms.

A free distribution of 40,000 copies of the 160-page book will be made to interested college students, finance professors, and to libraries in this country and throughout the world. Financial organizations can arrange to receive copies at a cost of $2.00 each by ordering them before publication which is scheduled for Dec. 22, 1959.

This issue is predicated on the fact that there is no book written in layman's language which gives the student or investor a clear understanding of the financial world and its relation to the national economy. The range of articles is wide — including discussions on international investment opportunities, modern venture capital, public responsibility of men in finance as well as descriptions of the role of the security analyst, types of investment companies, corporations and municipal financing, and the cycle of an order on the New York Stock Exchange.

The Investment Association of New York, a non-profit organization of 600 younger men in the investment business, has received endorsement of their project from such an industry organization as The Investment Bankers Association of America.

Gardner Dalton With A. C. Allyn

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis.—Gardner F. Dalton, Albert J. Harbaugh and Arthur L. Henningfield have become associated with A. C. Allyn and Company, Incorporated, 735 North Water Street. Mr. Dalton, a member of the Midwest Stock Exchange, and Mr. Harbaugh were formerly partners in Gardner F. Dalton & Company, with which Mr. Hemingfield was also associated.

Donaldson, Lufkin Firm Being Formed

Donaldson, Lufkin & Jenrette, Inc., members of the New York Stock Exchange, will be formed as of Dec. 10th with offices at 51 Broad Street, New York City. Officers will be Dan W. Lufkin, President, who will acquire a membership in the Exchange; William H. Donaldson, Vice-President; Richard H. Jenrette, Secretary-Treasurer, and Endicott P. Davison, Assistant Secretary.

Reasons Why Sterling Will Be Free in 1960

By Paul Einzig

Predestinational events placing the odds definitely in favor of full sterling convertibility are brought to the fore by Dr. Einzig who at the very least expects the abolition of "security sterling" to occur shortly. Sir Frank Lee's appointment as Joint Permanent Secretary to the Treasury is viewed as a forerunner to an early removal of the remaining restrictions adopted in 1957 in defense of sterling. This would permit London banks to grant overdrafts to overseas banks and to grant sterling credits during the processing period of imports. The propitiousness of all-out convertibility is weighed against the arguments of those who feel that the opportunity for a safe dash to freedom has already passed. It is Dr. Einzig's opinion that the former governs the situation.

LONDON, England—It now seems probable that full convertibility of sterling will be restored during the course of 1960. The appointment of Sir Frank Lee to succeed Sir Roger Makins as Joint Permanent Secretary to the Treasury is a clear indication that supporters of the policy of liberalization have gained the upper hand within the Government. Sir Frank Lee is known to be strongly in favor of the removal of the remaining restrictions on trade and exchanges. His appointment to the post in which he can exert considerable influence on official economic and monetary policies was strongly resisted until recently, even though he has long been recognized as the ablest official in the British civil service. Four years ago Sir Roger Makins was brought back from Washington with the special object of avoiding having to appoint Sir Frank Lee to that post. Meanwhile liberalization has made much progress, and resistance to it has weakened considerably, so that Sir Frank Lee's promotion has at last become possible.


Paul Einzig

Security Sterling May Be First to Go

The abolition of "security sterling" may now be expected to take place shortly, though it is possible that the Government will proceed in two stages. The first step would be the announcement of the Treasury's intention to maintain security sterling within the official support points of $2.78-$2.82. This would mean that for all practical purposes security sterling would become convertible, even if the authorities were to delay the final step of amalgamating security sterling with the free sterling. Once it is understood that the Treasury has assumed responsibility for maintaining the stability of security sterling it would become safe for American investors to buy British securities on the assumption that if and when they should wish to realize their holdings they would be able to sell the sterling proceeds at above $2.78. It would also mean that there would be a regular forward market in security sterling, so that investors would be able to cover their exchange risk.

Possibly this intermediate stage may be considered unnecessary, and the Government may decide to do away with the present arrangement under which the proceeds of securities sold be non-residents could only be used for the purchase of securities by non-residents. The unification of sterling will be a most important event from the point of view of the return to normal monetary conditions. The present situation would be very favorable for taking this step, since foreign investors are buyers rather than sellers of British securities, so that there is no likelihood of large-scale realizations of proceeds of the sales of such securities after the liberalization of security sterling.

It also seems probable that one of Sir Frank Lee's earliest actions will be the removal of the remaining restrictions adopted in 1957 in defense of sterling. London banks will be once more in a position to grant sterling credits for the financing of foreign trade transactions during the period of processing of imported goods. They will also be allowed to grant overdraft facilites to overseas banks.

Reasons for Resident Convertibility

The question is whether Sir Frank Lee's influence will be sufficiently strong to induce the Government to extend convertibility for the benefit of British residents. A month or two ago the possibilities of such a move appeared to be very remote. As things appear today it is by no means impossible that we shall witness that change sometime next year. The arguments in favor of a decision in that sense may be summarized as follows:—

(1) Now that a Conservative Government is likely to remain in office for at least four years there is no need for expecting heavy flight of British capital for fear of anti-capitalist measures by a Socialist Government. There will be no nationalizations; the Government's attitude to private enterprise will be favorable; and direct taxation is likely to be reduced rather than increased.

(2) It is all but generally expected that 1960 will witness a considerable expansion of trade, and that the rise in Stock Exchange values will continue. This is not the time for British investors to send their capital abroad. On the contrary, it seems probable that more investment capital will flow in than out.

(3) Sterling is now considered safe and strong. Any flight from the pound is regarded as most unlikely in the foreseeable future. Even though some British money might be sent outside the Sterling Area following on the removal of the ban on capital transfers by British residents, the extent of such transfers is not likely to be large, and sterling would easily stand the strain.

(4) It is widely expected that during 1960 the dollar would come under pressures as a result of continued outflow of gold from the United States and of the anticipation of a victory of the Democrats at the November election. Any such pressure would mean the transfer of funds from New York to London.

(5) Among European currencies the Swiss franc is fully convertible, and the Deutschmark is nearly fully convertible. It is therefore a matter of prestige that sterling too should be made fully convertible so that it could look these currencies in the face.

Those in favor of full convertibility feel strongly that such a coincidence of favorable considerations as will exist next year is not likely to occur for a long time to come, so that if this opportunity should be missed sterling would have to remain partly inconvertible for a very long time to come.

Some Think It Is Too Late

There are, however, some experts who feel that we have already missed our opportunity for a safe dash to freedom. Their argument is based on the rising trend of money rates in the United States, West Germany and other countries. It is argued that if Britain wants to maintain the expansion of her production British interest rates would have to be kept down regardless of the world trend. But this is expected to mean a weak sterling as a result of the withdrawal of funds attracted by higher interest rates abroad.

So far there has been no sign of any weakening of sterling as a result of higher money rates abroad. Sterling is still at a slight premium in relation to the dollar, and the Exchange Equalization Account has been gaining gold almost continuously, disregarding of course, the amounts used for debt repayment. Forward sterling is at a premium, and this tends to discourage tranfers of funds with the forward exchange covered. Taking everything in consideration, the odds are decidely in favor of a Government decision for full convertibility in the course of 1960.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Insurance Stocks

Multiple line fire and casualty companies continue to branch into the life insurance field. Within the past month U. S. Fidelity & Guaranty Co. has increased its stock toustanding through a rights subscription offer to shareholders. Part of the proceeds will go toward incorporating a wholly owned life insurance company. Combining fire-casualty and life underwriting is nothing new to the insurance industry. Underwriting by British firms has rested on this foundation. Several U. S. insurance companies, notably Aetna Life and Travelers, were in business before legislation now on the books made it illegal for the same corporate entity to write both fire-casualty and life insurance.

Preceding the present trend was the postwar transition from single to multiple line operations. By 1955 all states had adopted laws permitting multiple line underwriting, stimulated by the now famous Southeastern Underwriters decision of the U. S. Supreme Court in 1944. This decision classified the insurance business as commerce, subject to the several Federal anti-trust acts "to the extent such business is not regulated by state law." States went into action in order to discourage the application of these Federal acts to the insurance business. With the swift and numerous consolidations that followed, the distinction between fire underwriters and casualty companies has quickly faded.

Indirectly furthered by this multiple line development, "all line" companies embracing modern marketing methods today are making enviable headway. Once these forward-looking companies uncovered ways to gain more profitable competitive positions, many entrenched companies with strong financial resources and able managements started to meet this challenge to their fundamental positions. Legislation by many states is restricting a countermovement by life companies. However, changes may be forthcoming since corporations outside the insurance field as well as fire-casualty companies continue to invade the life field.

Although "all line" underwriting is not new, its acceleration and implementation is. Presently more than 100 companies have joined the complete multiple line ranks. Also, life companies writing accident and health policies already are in the casualty business. The following enumeration of "all line" underwriters is limited to stock companies where shares are readily available for purchase or sale by the investing public. Life insurance either is firmly established or has developed to a point to have its effect on earnings.

The life status came through acquisition of sizable ownership of *Continental Assurance Co.* by Continental Casualty, *Colonial Life Life Insurance Co.* by Federal, *Columbian National Life Ins. Co.* by Hartford Fire, *Northwestern National Life* and *Nationwide Life* by Nationwide, *United Life & Accident Ins. Co.* by Peerless, *Western Life Ins. Co.* by St. Paul F. & M., *Monarch Life Ins. Co.* by Springfield F. & M., and *Occidental Life Ins. Co.* by Transamerica. Allstate is 100% owned by Sears Roebuck & Co. Other entries in the field include Glens Falls Insurance Co. through acquisition of *National Life Assurance Co.* and Home Insurance Co. through acquisition of *Peoples Life Insurance Co.*

Entrance through organization of subsidiaries, rather than acquisition, include Allstate, Security Insurance Co. of New Haven, Insurance Company of North America, Employers Group Associates as well as U. S. Fidelity & Guaranty.

Why the Trend to "All Line" Insurance?

Many insurance managements have reservations about this development and continue to ask this question. However, the "all line" advocates see more profits ahead. They are stimulated by the belief that buying habits of the American public have changed, witnessed by accepted mass-scale merchandising. They point to the rapid development of package policies and recent successes of direct writing. The sharp distinctions between certain and uncertain risks, readily appreciated by the insurance fraternity, loses its impact on the insurance buying public. Their main problem is considered the comprehensive protection against all insurable risks. Special coverage may well become difficult to sell once the public becomes fully aware of the alternative, an obtainable balanced coverage of risks as it relates to all of ones insurable hazards.

Advocates see further economy steps at hand from utilizing automation procedures which result in more selling time for their ready-made sales forces. To them, the less saturated life insurance market points the way toward growth and provides a hedge against troublesome inflationary trends. Supplemented by life underwriting, cyclical trends of a fire-casualty business can be moderated.

This movement towards closer affiliation between fire-casualty and the life business is confronted with many challenging operational complexities. Organized life subsidiaries take several years to become profitable and acquisitions may prove costly. Experience obtained from multiple line consolidations should aid those companies extending into "all line" insurance operations.

Stocks Representative of "All Line" Insurance Underwriting

	Approx. 1959 Price Range	Recent Price	Indic. Divid.	Yield
Aetna Life Insurance Co.	102— 78	90	$1.40	1.56%
Continental Casualty Co.	69— 55	69	1.20	1.74
Federal Insurance Company	69— 58	60	1.00	1.67
Hartford Fire Ins. Co.	205—168	195	3.00	1.54
Nationwide Corporation A	38— 19	37	stock	---
Peerless Insurance Co.	30— 22	24	1.00	4.17
St. Paul F. & M. Ins. Co.	61— 52	54	1.40	2.59
Sears Roebuck (Allstate)	51— 39	49	1.45	2.96
Springfield F. & M. Ins. Co	37— 28	29	1.00	3.45
Transamerica Corporation	34— 26	31	0.80	2.58
Travelers Insurance Co.	102— 78	90	1.40	1.56

Hugh Long & Co. Elects E. Dantler

Edward K. Dantler, Jr., has been elected a regional Vice-President of Hugh W. Long & Co., Inc. He represents the company in the southern areas of California and Nevada, where he has served as regional representative since 1957, in association with E. J. Lewis and Robert G. Frank.

Mr. Dantler was earlier associated with the investment firm of Dean Witter & Co.

Joins Tucker, Anthony

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—John B. Coleman has joined the staff of Tucker, Anthony & R. L. Day, 74 State Street. He was previously with Hutchins, Mixter & Parkinson.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Philadelphia Electric Company

Philadelphia Electric Company serves an area of 2,340 square miles in Philadelphia and in adjoining areas in the Delaware Valley; electric operations contribute 82% of revenues, gas 16% and steam 2%. Three subsidiaries own and operate the Conowingo Hydro-Electric Project and one distribution subsidiary serves electricity in two counties in northeastern Maryland. Electric revenues are about 35% residential and rural, 21% commercial, 36% industrial (including 4% railroad and transit) and 4% miscellaneous.

System generating capacity totalled 2,716,000 kw at the end of 1958, of which about 91% was steam and 9% hydro. The first 325,000 kw unit at Eddystone Generating Plant will be completed in December, and a second unit will be added in 1960. Apparently the company does not plan to install additional generating facilities during 1961-3. Addition of the 650,000 kw Eddystone Plant should give the company a margin of nearly one-third over the peak load of 2,543,000 kw on June 30, 1959 (which exceeded the 1957 record by 10%, due to hot and humid weather). The company is a member of the 11.3 million kw Pennsylvania-New Jersey-Maryland Interconnection, which has resulted in major operating and financial benefits through coordinated load dispatching and scheduling of generating capacity additions.

Eddystone will be one of the world's most efficient power plants, using steam super-heated to 1200 degrees at a pressure of 5,000 pounds per square inch. Because of these supercritical temperatures and pressures, two steam reheating stages, instead of the usual one, will be possible, thus saving fuel; the first new unit will be able to generate one kwh from less than two-thirds of a pound of coal.

The company in August obtained approval from the AEC to construct a 40,000 kw atomic power plant about 10 miles upstream from the Conowingo Dam on the Susquehanna River; 51 other utility companies will participate in the project. The graphite-moderated, gas-cooled nuclear reactor is scheduled for completion in 1963 and will serve as a prototype for a full-scale plant designed to operate at today's high steam temperatures and pressures. President Rincliffe told stockholders "we are convinced this type of reactor will prove to be one of the most promising."

The company's area ranks as one of the world's greatest industrial centers, with 87% of all industries (as classified by the Census) represented; industries are about evenly divided between hard-goods and soft-goods and no one industry is dominant. The Delaware Valley is one of the fastest growing sections of the country, as indicated by the number of completely new communities and plants which have been established in the suburban areas. During 1950-60 population in the area served will gain over 20%, it is estimated—only 8% in Philadelphia but 44% in the suburban counties. The company has stated "the continued rapid growth forecast for this area places Philadelphia Electric in an extremely favorable position for the future."

The company has a large expansion program — it expects to spend about $415 million over the five years 1959-63 (excluding the first quarter of 1959). About 45% of this amount, or some $187 million, is to be obtained through sale of new securities; and of this amount the company raised about $29 million last June by a subscription offering of common stock, and $50 million in October by sale of bonds. While some of these funds were used to repay bank loans, it is obvious that a good start has been made toward taking care of the five-year construction program. With an equity ratio currently around 43%, it appears unlikely that equity financing will be required for some time.

Share earnings improved from $1.63 in 1948 to $2.31 in 1950 but did not show much further gain over the next five years. Since 1954 there has been consistent gains, and for the 12 months ended Sept. 30, 1959, $2.85 was reported compared with $2.76 in previous year. (On the basis of average shares outstanding, the latest earnings would have been $2.96). However, these figures include substantial amounts for interest charged to construction; for the latest 12 months period the amount approximately 44c a share. It appears likely that next year's credit will be smaller due to pending completion of the Eddystone Plant.

The company is using accelerated depreciation, which was normalized through the tax accounts until 1958, and later by increasing straight-line depreciation. Tax deferrals last year approximated 24c a share. Rate of return on year-end invested capital declined from 6.3% in 1956 to 5.4% in 1958, and this does not make allowance for fair value in the rate base (Pennsylvania is considered a fair value state).

The common stock has been selling recently around 51, at which price it yields 4.4% (based on the $2.24 dividend rate) and sells at 17.9 times recent earnings.

Morgan Stanley Offers Con. Ed. Bds.

A nationwide underwriting group headed by Morgan Stanley & Co. offered publicly on Dec. 2 a new issue of $75,000,000 Consolidated Edison Co. of New York, Inc. first and refunding mortgage bonds, 5¼% series Q, due Dec. 1, 1989, priced at 101.519% and accrued interest to yield approximately 5.15% to maturity.

The issue was awarded to the group at competitive bidding Dec. 1 on its bid of 100.782% which named the 5¼% coupon.

The new bonds are redeemable at 106.52% to and including Nov. 30, 1960 and thereafter at prices decreasing to the principal amount on and after Dec. 1, 1988. Special redemption prices range from 101.519% to the principal amount.

Capitalization outstanding as of Sept. 30, 1959 consisted of $1,020,155,000 of consolidated long term debt, 1,915,319 shares of preferred stock (entitled to $100 per share on liquidation) and 15,086,195 shares of common stock without par value.

Form Finchley Investors

Finchley Investors Corporation is conducting a securities business from offices at 42 Broadway, New York City.

When Our Trade Policies Imperil Our Investments

Continued from page 10

flourish; it makes it increasingly difficult for Canada to service your large investment in our country; and it runs the danger, if present trends continue, of forcing a drastic change in Canada's trade and defense policies along lines that will weaken, rather than strengthen, the overall North American situation. Canada has not the solution for this problem in its own hands; the United States has, if my analysis is correct.

Suggest Access to Pacific Port

There are other completely different areas where United States cooperation could greatly assist Canada, while at the same time benefiting the United States. An example in my own part of the world relates to the Alaskan Panhandle, which, through the luck of history, takes in all the Pacific coastline along a thin strip running some 400 miles southward from the B. C.-Yukon border, leaving the vast hinterland of British Columbia east of it with no harbors, although so tantalizingly close to the Pacific Ocean.

British Columbia's northwestern area is rich in water power and mineral resources. But these resources are relatively useless without one or two ports at tidewater where they could be put together into a viable industrial complex. An oft-mentioned possibility is for the United States to provide British Columbia with one or more corridors through the narrow Panhandle to the sea. This proposal received impetus from Governor William A. Egan of the State of Alaska, who, in a speech on Aug. 26 of this year, supported it. "It is quite evident," he said, "that additional means of access through the Alaskan Panhandle are needed. Alaska is prepared to plan such developments with its Canadian neighbors."

Such action would certainly be to the benefit of both countries. The industrial development of northwest British Columbia would mean an immediate demand for United States goods and services. Further, such industrial development couldn't help but have a stimulating effect on the adjoining parts of Alaska, including such cities as Juneau, Wrangell and Ketchikan.

This is but one of many areas for international cooperation between our two countries which just seems to make plain common sense.

I would now like to say a word about Canadian-American trade with relation to the National Foreign Trade Council Convention theme, namely, that foreign trade and investment accelerate the wide-spread use of technologies vital to economic growth.

Against the background I have given, it is apparent that this theme is not as true of Canada as it is of most countries.

Obstacles to Technological Progress

In the first place, the effect of the United States tariff, in limiting the degree of processing and manufacturing of Canadian natural resources, obviously limits at the same time the ability of Canadians to apply advancing technologies to these resources. This situation would improve if changes in the United States tariff permitted more processing of Canadian natural resources. There would then be strong industries in Canada in these fields, based largely on foreign trade, whose strength would enable them to make the fullest use of research and advancing technologies.

In the second place, United States investment in Canadian manufacture largely takes the form of wholly owned subsidiaries. This is an abiding irritation to Canadians for many reasons but, in the present context, it means that research and the development of more advanced technologies are done at the head office and main plants in the United States, and then supplied as a service to the Canadian subsidiary. As a result, although United States investment in Canada may be accelerating the use of advanced technology in the United States, it is doing so in Canada only to a very minor degree.

Again, the close similarity of tastes among the peoples of our two countries has its effects here too. For instance, if a United States automobile company sets up a factory in a Western European country, it will set up a complete unit, including research, for the reason, among others, that tastes in autos in Western Europe are quite different from those in North America. Canadian tastes, however, are very much the same as American, and therefore, there is no pressure to set up self-sufficient units, including the research, in Canada.

There is no doubt that research and the development of new or better techniques are vital to economic growth, but Canadians feel that United States firms, which are such a factor in Canadian industrial life, from this point of view tend to treat Canada as just another State rather than as another country.

Conclusion

In conclusion, may I say this? The difficult relations between Canada and the United States in the fields of trade and investment should be relatively easily open to improvement. They do not arise from vast differences in standards of living, wage costs and the like, which are slow of change and difficult to deal with. They arise largely from the fact that the United States tariff tends to prevent Canada from developing manufacturing and processing industries based on her natural resources.

Canadians are not asking for favors, and realize that they will always be large-scale purchasers of American goods, because of the advantage a big home market gives to United States manufacturers. But Canadians do want the opportunity to export to the United States processed and manufactured goods based on their own resource industries and energy; fields where they could be competitive. Such an extension of Canadian manufacturing and export would bring Canadian-American trade into better balance and would provide a more secure basis for the increasing flow of dividends and interest from the large and growing United States investment in Canada. We would all be gainers, despite the few pressure groups that would try to maintain otherwise.

With many other Canadians, I feel that something like this will develop. In view of all the circumstances facing it — and they are numerous and complicated— the United States has followed an enlightened and internationally-minded trade policy during the trying postwar period. Her attitude to Canada has been sympathetic. We Canadians are confident that these qualities will continue to be brought to bear on those problems of trade and investment that are so important to Canada, in a way that will be to the lasting benefit of both our countries.

*An address by Mr. Grauer before the National Foreign Trade Council's 46th Convention, New York City, Nov. 16, 1959.

Inv. Position Elec. Utilities

Continued from page 15

service is a basic necessity throughout our economic and social structures. Because all but a small proportion of utility revenue is derived from consumers goods type users, the industry has a high degree of resistance during recession periods. At the same time, constantly increasing use per customer, along with connection of new customers, gives the industry a strong growth trend as evidenced by the fact that it has doubled every 10 years and is expected to continue to do so. Ability to translate increasing revenue into satisfactory earnings depends in part on regulation. Regulation has demonstrated its recognition of investor needs and gives every evidence of continuing to do so. The record of increases of utility company earnings and dividends obviously has satisfied investors: as we see the prospects over the next several years, they are at least as good as the record.

*An address by Mr. O'Neil before the Investment Trust Forum of the 28th Mid-Continent Trust Conference sponsored by the Trust Division of the American Bankers Association, Detroit, Mich., Nov. 5, 1959.

Los Angeles School Bonds Offered To Investors

A Bank of America N. T. & S. A. underwriting syndicate on Dec. 1, 1959 merged with a Chase Manhattan Bank syndicate to purchase $21,500,000 of Los Angeles City School Bonds. The merged syndicate included First National City Bank of New York, Bankers Trust Co., Morgan Guaranty Trust Co. of New York and Chemical Bank New York Trust Co.

The Bank of America group bought $13,500,000 of Los Angeles City High School District Bonds, $7,000,000 of Los Angeles City Junior College District Bonds, and $1,000,000 of Los Angeles City School District Bonds.

The merged syndicate paid a premium of $186,529 for the straight 4% Los Angeles City High School District Bonds. The dollar bid was 101.382. The syndicate paid a premium of $96,479 for the straight 4% Los Angeles City Junior College District Bonds. The dollar bid was 101.378. The group paid a premium of $13,359 for the straight 4% Los Angeles City School District Bonds. The dollar bid was 101.336. Net interest cost to the three school districts was 3.89%. The bonds were reoffered to investors to yield from 2.90% to 3.90%, according to maturity Jan. 1, 1961-1985.

With A. W. Benkert

(Special to THE FINANCIAL CHRONICLE)

LEWISTON, Maine — Monique Y. Roberge has become associated with A. W. Benkert & Co. He was formerly with Gaston J. Roberge & Co. and prior thereto with Coburn & Middlebrook, Incorporated.

With Commerce Trust Co.

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo. — Phillip W. Davis is now with Commerce Trust Company, 10th and Walnut Streets. Mr. Davis was formerly with Milburn, Cochran & Company, Inc.

STATE OF TRADE AND INDUSTRY

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compulsory arbitration is mounting.

"Steel's" price composite on No. 1 heavy melting scrap dropped $1.33 a gross ton to $43.50. A year ago, it was $40.33. Sluggish demand and possible resumption of the strike in January are injecting a note of caution among buyers.

Steel Output Based on 92.3% of Jan. 1, 1959 Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *162.6% of steel capacity for the week beginning Nov. 30, equivalent to 2,612,000 tons of ingot and steel castings (based on average weekly production of 1947-49) as compared with an actual rate of *158.1% of capacity and 2,540,000 tons a week ago. [ED. NOTE: The strike in the steel industry which began July 15 was ended via a court injunction on Nov. 7.]

Actual output for the week beginning Nov. 23 was equal to 89.7% of the utilization of the Jan. 1, 1959 annual capacity of 147,633,670 net tons. Estimated percentage for this week's forecast is 92.3%.

A month ago the operating rate (based on 1947-49 weekly production) was *22.9% and production 368,000 tons. A year ago the actual weekly production was placed at 1,985,000 tons, or *123.6%.

*Index of production is based on average weekly production for 1947-49.

The U. S. automobile industry will have produced 5,530,500 cars by the end of this year—1,286,455 units or 30% more than were turned out by the end of December in 1958, Ward's Automotive Reports said on Nov. 27.

The statistical agency noted, however, that production for 1959 would have exceeded 6,200,000 units if steel shortages had not hampered operations. As a result of the steel strike, auto makers will have lost some 700,000 assemblies — 133,000 in October, 385,000 in November and nearly 200,000 in December.

On the brighter side, Ward's said the one millionth U. S. built passenger car came off the assembly line on Nov. 24—a full week ahead of the same event in the '59 model run. Thus, despite the crippling effects of the steel strike, more '60 model cars will be available at the end of November than '59 cars at this same time last year.

Ward's said that campact cars, including the new Corvairs, Falcons and Valiants, accounted for 25% of the 1,026,169 '60 cars produced through Nov. 28.

General Motors captured 37.9% of new-model production; Ford took 33.4%; Chrysler Corp. 16.0%; American Motors 8.7% and Studebaker-Packard 4.0%.

Ward's said the combined effects of steel shortages and plant shutdowns for the Thanksgiving holiday lowered automobile production in the week ended Nov. 28, an estimated 33% from the 68,476 units of the previous week.

Most assembly lines came to a halt at the end of Wednesday (Nov. 25) and were not scheduled to roll again until next Monday, Nov. 30.

However, Ford Motor Co. built Falcons, Thunderbirds and Lincolns on Nov. 27-28; and American Motors operated its Kenosha, Wis., plant on the 27th.

Ward's said Chrysler Corp. closed its Hamtramck, Mich., Newark, Del., and Los Angeles, Calif., car factories on Nov. 25 and will not re-open them until more steel parts are available, probably around mid-December.

By the end of this week, Chrysler's steel-shortage layoffs will mount to 23,000—more than one-third of its entire work force. At the same time, Ward's said, General Motors called back about 53,000 employes to prepare for a resumption of car-building scheduled to begin Dec. 7. All GM assembly lines have been idle since Nov. 11 because of the steel situation.

Electric Output 7.3% Above 1958 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Nov. 28, was estimated at 13,173,000,000 kwh., according to the Edison Electric Institute. Output was 639,000,000 kwh. below that of the previous week's total of 13,812,000,000 kwh. and showed a gain of 899,000,000 kwh., or 7.3% above that of the comparable 1958 week.

Car Loadings 1.6% Above 1958 Week

Loading of revenue freight for the week ended Nov. 21, 1959, totaled 629,362 cars, the Association of American Railroads announced. This was an increase of 9,608 cars or 1.6% above the corresponding week in 1958, and a decrease of 3,401 cars or five-tenths of 1% below the corresponding week in 1957.

Loadings in the week of Nov. 21 were 9,046 cars or 1.4% below the preceding week.

Lumber Shipments Fractionally Above 1958 Week

Lumber shipments of 479 mills reporting to the National Lumber Trade Barometer were 11.5% below production for the week ended Nov. 21, 1959. In the same week new orders of these mills were 15.2% below production. Unfilled orders of reporting mills amounted to 32% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 15 days' production at the current rate, and gross stocks were equivalent to 45 days' production.

For the year-to-date, shipments of reporting identical mills were 0.7% below production; new orders were 1.6% below production.

Compared with the previous week ended Nov. 14, 1959, production of reporting mills was 3.3% above; shipments were 1.5% above; new orders were 3.5% above. Compared with the corresponding week in 1958, production of reporting mills was 6.0% above; shipments were 0.9% above; and new orders were 3.4% below.

Business Failures Down in Holiday Week

Commercial and industrial failures declined to 268 in the holiday week ended Nov. 26 from 287 in the preceding week, reported Dun & Bradstreet, Inc. However, casualties continued above their year-ago levels for the third consecutive week; they exceeded the 244 in the comparable week of 1958 and also the 235 in 1957. Slightly more businesses succumbed than in prewar 1939 when the total was 264.

Failures with liabilities of $5,000 or more fell to 236 from 257 in the previous week but remained higher than last year when 210 occurred. Small casualties, those involving liabilities under $5,000, edged up to 32 from 30 a week earlier although they did not reach the 34 of this size in the similar week of 1958. Liabilities ranged above $100,000 for 29 of the failing businesses, as against 27 in the preceding week.

The downturn during the holiday week occurred in retailing, down to 110 from 132, in manufacturing, down to 49 from 64, and in commercial service, off to 19 from 28. The toll among wholesalers, on the other hand, increased to 35 from 26, and among construction contractors climbed to 55 from 37. More concerns succumbed in these two lines than a year ago, whereas manufacturing, retailing, and service casualties came close but did not equal their 1958 levels.

Six of the nine major geographic regions reported lower tolls in the week just ended. The most noticeable decline took place in the Pacific States where failures dropped to 61 from 81, while milder dips appeared in the East North Central States, off to 31 from 37, and in the South Atlantic, off to 22 from 25. In contrast, Middle Atlantic casualties rose to 107 from 88 and small increases also were reported in the West North Central and East South Central States. All of the year-to-year rise was concentrated in three regions: the Middle and South Atlantic, and Pacific States. Slight dips from 1958 prevailed in five regions and one reported no change.

Wholesale Food Price Index Fractionally Higher

There was a fractional increase this week in the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc. On Nov. 24 it stood at $5.92, up 0.2% from the prior week's $5.91, but down 7.9% from the $6.43 of the corresponding date a year ago.

Moving higher in wholesale cost this week were bellies, butter, cheese, and hogs. Lower in price were flour, wheat, lard, sugar, coffee, cocoa, potatoes, and raisins.

The Index represents the sum total of the price per pound of 31 raw food stuffs and meat in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Down Appreciably in Latest Week

Reflecting lower prices on flour, hogs, steers, lambs, and steel scrap, the general commodity price level dipped appreciably in the latest week. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 276.77 (1930-32=100) on Nov. 30, compared with 278.38 a week earlier and 275.64 on the corresponding date a year ago.

Most grain prices held within a narrow range last week. Wheat prices finished the week fractionally higher. Buying by flour mills was sustained at a high level, export purchases moved up somewhat, and offerings were light. Although trading in rye was sluggish, prices held steady.

Although there was little change in corn transactions, prices were up fractionally. A moderate decline in oats prices occurred as trading weakened. Soybean offerings were light, volume sagged somewhat, and prices were down moderately.

Flour trading sagged a bit from the prior week and prices were somewhat lower. Except for sizable purchases by Indonesia, export buying of flour was sluggish. Both domestic and export buying of rice was sustained at a high level, and prices were unchanged from a week earlier. Negotiations were pending for exports to India, Pakistan, Bolivia, and Israel.

Although coffee prices weakened at the beginning of the week, they picked up at the end of the period and finished unchanged from the prior week. Orders for coffee were scattered at the end of the week. Cocoa prices moved up appreciably at the end of the week as buying expanded.

Although hog receipts in Chicago were steady, trading lagged and prices moved down somewhat. There was a fractional decline in steers prices as transactions dipped from a week earlier; cattle receipts in Chicago were down moderately. While supplies of lambs were noticeably higher than the prior week, sales lagged and prices slipped fractionally.

Prices on the New York Cotton Exchange matched those of the prior week, and trading was steady. According to the United States Census Bureau, 1,859,000 bales of cotton ginned prior to Nov. 14 this season came to 11,577,000 bales, compared with 8,943,000 in the similar period a year ago.

Retail Trade Volume Exceeds Year-Ago Total

Good shopping weather over the week-end in most areas and a further rise in Christmas shopping boosted retail trade noticeably over the prior week, and volume was up appreciably from a year ago. The most noticeably year-to-year gains occurred in apparel, gifts, toys, lamps, and Thanksgiving food specialties. Scattered reports indicate that sales of new passenger cars dipped noticeably from a week earlier due to shortages of dealer inventories.

The total dollar volume of retail trade in the week ended Nov. 25 was 3% to 7% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1958 levels by the following percentages: New England and Mountain +6 to +10; West South Central +5 to +9; East North Central +4 to +8; West North Central +3 to +7; Middle Atlantic +2 to +6; East South Central +1 to +5; South Atlantic 0 to +4; Pacific Coast —1 to +3.

Marked gains over last year occurred in women's cloth coats, suits, and dresses and the buying of fashion accessories was up moderately; interest in sportswear lagged. Overall volume in women's apparel showed a substantial gain over the similar 1958 week. There was a moderate increase over last year in men's apparel, especially topcoats and furnishings. Gains in suits and sports coats were more modest. Purchases of children's clothing remained well over a year ago; best-sellers were boys' slacks and girls' dresses and sweaters.

Increased buying during the week of juvenile furniture, occasional tables, and case goods boosted overall furniture volume appreciably over last year. While gains occurred in lamps, lighting fixtures, and television sets, sales of refrigerators and washers were unchanged from the similar 1958 period. Although interest in linens and draperies rose from a week earlier, sales were down slightly from a year ago.

The usual upsurge occurred in purchases of Thanksgiving food specialties and volume somewhat exceeded a year ago. Best-sellers were poultry, canned goods, fresh produce, baked goods, candy, and shelled nuts.

Re-orders for women's Winter coats and suits moved up noticeably this week and were appreciably higher than a year ago. There was a considerable rise in Winter sportswear and fashion accesories, as retailers stocked up for Christmas. The call of resort-wear was sustained at a high level and purchases of Spring dresses and coats moved up appreciably. Volume in men's Winter overcoats and suits matched that of the prior week and was up slightly from last year. Wholesalers reported a marked rise in the buying of children's and infants' merchandise during the week.

Markets in Philadelphia and Boston reported a slight rise in bookings in carpet wool, after several weeks of lagging activity. In contrast volume in woolens and worsteds continued to lag. There was another increase in trading in cotton print cloths and sheetings, and stocks in many markets were limited. Buyers increased their orders again for industrial fabrics and man-made fibers. Mid-Atlantic dyeing and finishing plants reported little change in incoming orders during the week.

Wholesale purchases of bedding matched those of the prior week and were close to a year ago. While interest in dining room sets, occasional tables, and upholstered furniture slipped from a week earlier, it remained slightly higher than last year. There was a slight rise in sales of lighting fixtures, lamps, and television sets, but the call for refrigerators, laundry equipment, and radios was unchanged from a week earlier. Volume in draperies and floor coverings equalled that of the similar 1958 period, but purchases of linens were down somewhat.

Food buyers stepped up their purchases of canned goods this week and sales were close to a year ago. While the call for poultry, fresh meat, eggs, and rice rose from the prior week, interest in fresh produce, frozen foods, butter, cheese, and sugar was sluggish. Some wholesalers reported substantial gains during the week in candy, baked goods, dried fruit, and nuts.

Nationwide Department Store Sales up 8% for Nov. 21 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's Index for the week ended Nov. 21 increased 8% above the like period last year. In the preceding week, for Nov. 14, an increase of 6% was reported. For the four weeks ended Nov. 21 an 6% increase was registered and for Jan. 1 to Nov. 21 a 7% increase was noted.

According to the Federal Reserve System department store sales in New York City for the week ended Nov. 21 increased 8% over the like period last year. In the preceding week ended Nov. 14 a 7% increase was shown. For the four weeks ended Nov. 21 a 6% increase was reported over the 1958 period. Jan. 1 to Nov. 21 showed a 3% increase.

Hugh Long Co. Elects Coward

ELIZABETH, N. J. — Edwin L. Coward of Rumford, R. I., has been elected a regional Vice-President of Hugh W. Long & Company. He represents the company in the New England States in association with regional Vice-President C. Ellwood Kalbach. Mr. Coward has covered this area as regional representative for the firm since 1956.

Edwin L. Coward

H. B. Shaine Co. To Appoint Officer

GRAND RAPIDS, Mich.—On Dec. 10th, Arthur Silverstein will become Secretary-Treasurer of H. B. Shaine & Co., Inc., McKay Tower, members of the New York Stock Exchange.

Schweickart to Admit Winter

Warren F. Winter will be admitted to partnership in Schweickart & Co., 29 Broadway, New York City, members of the New York Stock Exchange, effective Dec. 1[?].

With F. P. Ristine

PHILADELPHIA, Pa.—F. P. Ristine & Co., 123 South Broad Street, members of the New York Stock Exchange and other leading exchanges, announce that James C. Webster is now associated with them as a registered representative in their Philadelphia office.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

Abbott-Warner Co., Inc.
Aug. 12 (letter of notification) 62,500 shares of common stock (no par). **Price**—$2.70 per share. **Proceeds**—To prepare estimates and to submit bids, as prime contractor on specialized construction projects. **Office**—123 Denick Avenue, Youngstown, Ohio. **Underwriter** — Strathmore Securities, Inc., 605 Park Building, Pittsburgh 22, Pa. This offering is expected to be refiled.

★ Adco Development Corp.
Nov. 23 (letter of notification) 300,000 shares of common stock. **Price** — At par ($1 per share). **Proceeds** — For working capital. **Office**—206 N. Virginia St., Reno, Nev. **Underwriter**—None.

• Aircraft Dynamics International Corp. (1/15)
Sept. 25 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—229 S. State Street, Dover, Del. **Underwriter**—Aviation Investors of America, Inc., 666 Fifth Avenue, New York 19, N. Y.

Alaska Consolidated Oil Co., Inc.
Sept. 17 filed 3,000,000 shares of common stock (par five cents). **Price**—$2.50 per share. **Proceeds**—For further development and exploration of the oil and gas potential of the company's Alaska properties. **Office**—80 Wall Street, New York. **Underwriter**—C. B. Whitaker Co., New York. **Offering**—Expected in about three to four weeks.

Alberta Municipal Financing Corp. (12/11)
Nov. 25 filed $20,000,000 of sinking fund debentures, due Dec. 15, 1984. The debentures are guaranteed unconditionally as to principal and interest by the Province of Alberta. They are payable in the United States currency. The debentures will not be redeemable, except by operation of the sinking fund, until Dec. 15, 1969. **Price**—To be supplied by amendment. **Proceeds**—From the sale of the debentures after conversion into Canadian funds, will be applied to the purchase of securities of municipalities, cities, towns and villages within Alberta as loan applications are approved. **Underwriters**—The First Boston Corp. and Wood, Gundy & Co., Inc., both of New York.

Allied Small Business Investment Corp.
Sept. 29 filed 100,000 shares of common stock (par $8). **Price**—$11 per share. **Proceeds**—To be used to provide equity capital and long-term loans to small business concerns. **Office**—Washington, D. C. **Underwriter**—To be supplied by amendment.

★ American Frontier Life Insurance Co.
Nov. 30 filed 200,000 shares of capital stock. **Price**—$8 per share. **Proceeds** — To increase capital and surplus. **Office**—1455 Union Ave., Memphis, Tenn. **Underwriter**—Union Securities Investment Co., which will receive a selling commission of $1.20 per share.

American Investors Syndicate, Inc.
June 25 filed 600,000 shares of common stock (par 10 cents), and 200,000 shares of 6% preferred stock (no par value, $9 stated value), to be offered in units consisting of 3 shares of common ($1 each) and 1 share of preferred ($9). **Price**—$12 per unit. **Proceeds**—For construction and related expenditures. **Office**—513 International Trade Mart, New Orleans, La. **Underwriter**—Lindsay Securities Corp., New Orleans, La. The SEC had scheduled a hearing, to begin on Sept. 2, which will determine whether a stop order will be issued suspending the offering. No decision has been announced.

★ American Pipe & Construction Co.
Nov. 27 filed 100,000 shares of common stock ($1 par), to be offered to employees under its Restricted Key Employee Stock Option Plan—1959 and its Employee Stock Purchase Plan. **Office**—390 South Atlantic Blvd., Monterey Park, Calif.

American Service Life Insurance Co.
Sept. 14 filed 300,000 shares of common stock (par 40¢). **Price**—$3.50 per share. **Proceeds**—For general corporate purposes, including, possibly, the acquisition of similarly engaged companies. **Office** — 113 Northeast 23rd Street, Oklahoma City, Okla. **Underwriter** — First Investment Planning Co., Washington, D. C.

American Yachting Systems, Inc.
Oct. 30 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—Roslyn, N. Y. **Underwriter**—Hilton Securities Inc., formerly Chauncey, Walden, Harris & Freed, Inc., 580 Fifth Avenue, New York, N. Y. **Offering**—Expected any day.

Anelex Corp. (12/14-18)
Nov. 18 filed $2,250,000 of subordinated debentures, due Dec. 1, 1974, with warrants attached to purchase 45,000 shares of common stock (par $1) and (2) 90,000 shares of common stock (par $1). The debentures and stock are to be offered in units consisting of $50 principal amount of debentures (with attached warrant to purchase one share of common stock) and two shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To pay off $400,000 of serial notes plus accrued interest thereon; approximately $220,000 will be used to redeem and pay accumulated dividends on the company's outstanding 2,000 shares of cumulative preferred stock; approximately $143,000 will be used to pay a promissory note to Anderson-Nichols & Co.; approximately $800,000 will be used for machinery and equipment; and the balance will be used for general corporate purposes, including additional working capital. **Office**—150 Causeway St., Boston, Mass. **Underwriter**—Putnam & Co., Hartford, Conn.

• Anodyne, Inc., Bayside, L. I., N. Y. (12/7-11)
Sept. 9 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For expansion and general corporate purposes. **Underwriter**—Ross, Lyon & Co., Inc., New York, N. Y.

Anthony Pools, Inc. (12/7-11)
Sept. 28 filed 200,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—5871 Firestone Boulevard, South Gate, Calif. **Underwriter** — Marron, Edens, Sloss & Co., Inc., New York. **Registrar**—The First National City Bank of New York.

Anthony Powercraft
Sept. 8 (letter of notification) 241,200 shares of 5% cumulative convertible preferred stock to be offered for subscription by common stockholders at the rate of two preferred shares for each three shares of common stock held. **Price**—At par ($1 per share). **Proceeds**—To purchase inventory, new tools, construction and for working capital. **Office**—5871 E. Firestone Boulevard, South Gate, Calif. **Underwriter**—None.

★ Apache Properties, Inc.
Nov. 20 filed 500,000 shares of common stock (par $1) to be offered in exchange for undivided interests in gas and oil leaseholds located in certain counties in Oklahoma. **Price**—$10 per share. **Office**—523 Marquette Ave., Minneapolis, Minn. **Underwriter**—None.

Arkansas Power & Light Co. (12/8)
Oct. 23 filed $15,000,000 of first mortgage bonds, series due 1989. **Proceeds**—For construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers and Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Blyth & Co., Inc. and Dean Witter & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly). **Bids**—Expected to be received up to 11:30 a.m. (EST) on Dec. 8.

Arkay International, Inc.
Nov. 18 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 8806 Van Wyck Expressway, Richmond Hill, N. Y. **Underwriter**—A. D. Gilhart & Co., Inc., New York, N. Y. **Offering**—Expected in December.

Artesian Water Co.
Nov. 2 (letter of notification) 100 shares of class A common stock (no par). **Price**—$40 per share. **Proceeds**—To expand the water distribution system. **Office**—501 Newport & Gap Pike, Newport, Del. **Underwriter** — Laird, Bissell & Meeds, Wilmington, Del.

Associations Investment Fund
Aug. 28 filed 400,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For investment in common stocks. **Office**—301 W. 11th Street, Kansas City, Mo. **Underwriter**—Jones Plans, Inc., a subsidiary of R. B. Jones & Sons, Inc.

Australian Grazing & Pastoral Co., Ltd.
Jan. 13 filed 4,000,000 shares of common stock. **Price**—At par (56¼ cents per share). **Proceeds**—To purchase cattle; for improvements; to buy additional ranch in Queensland, Australia; and for other corporate purposes **Office** — 1301 Avenue L, Cisco, Texas. **Underwriter** — None. Robert Kamon is President.

B. M. Harrison Electrosonics, Inc.
Sept. 25 filed 133,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness and the provision of funds to assist the company's expansion into the civilian market. **Office** — Newton Highlands, Mass. **Underwriter**—G. Everett Parks & Co., Inc., 52 Broadway, New York City.

Bankers Management Corp.
Sept. 10 (letter of notification) 300,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—For working capital. **Office**—1404 Main Street, Houston 2, Texas. **Underwriter**—Daggett Securities, Inc., Newark, N. J. **Offering**—Expected in about 30 days.

Bankers Preferred Life Insurance Co.
Jan. 30 (letter of notification) 100,000 shares of common stock (par $1.60). **Price**—$3 per share **Proceeds**—For expenses incidental to operation of an insurance company **Office**—Suite 619, E & C Bldg., Denver, Colo **Underwriter**—Ringsby Underwriters, Inc., Denver 2, Colo

• BarChris Construction Corp. (12/15)
Oct. 28 filed 280,000 shares of common stock. **Price** — $6 per share. **Proceeds**—For general corporate purposes, including expansion. **Office** — 35 Union Square West, New York. **Underwriter**—Peter Morgan & Co., New York.

Bear Brand Hosiery Co.
Nov. 10 (letter of notification) 2,000 shares of common stock (no par) to be offered for subscription by stockholders of record Dec. 10, 1959 on the basis of one share for each 6½ shares held. **Price**—$100 per share. **Proceeds**—For working capital. **Office**—131 S. Wabash Ave., Chicago 3, Ill. **Underwriter**—None.

Behlen Manufacturing Co., Columbus, Ohio (12/15)
Nov. 12 filed 370,000 shares of common stock (par $1) of which 70,000 shares are to be offered for the account of the issuing company and 300,000 shares will be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For working capital and other corporate purposes. **Underwriters** — Smith, Barney & Co., New York; Kirkpatrick-Pettis Co., Omaha, Neb.; and The First Trust Co. of Lincoln, Neb.

Bell Telephone Co. of Pennsylvania (12/15)
Nov. 20 filed $30,000,000 of 35-year debentures dated Dec. 1, 1959 and due Dec. 1, 1994. **Proceeds**—To repay outstanding advances from the American Telephone & Telegraph Co.; any balance will be used for general corporate purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; White, Weld & Co. and Eastman Dillon, Union Securities & Co. (jointly); Morgan, Stanley & Co. **Bids**—To be received up to 11 a.m. (EST) on Dec. 15 at Room 1900, 195 Broadway, New York, N. Y.

• Benson Manufacturing Co., Kansas City, Mo.
Nov. 25 filed $2,000,000 of 6% convertible subordinated debentures due 1971 and 130,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For additional manufacturing equipment, acquisition of property and retirement of a $500,000 bank loan. **Business**—In addition to its aluminum operations the company fabricates magnesium, stainless steel and titanium. As a leading subcontractor it serves the major missile, rocket and aircraft companies through its missile container division. **Underwriter**—S. D. Fuller & Co., New York. **Offering**—Expected in the early part of January, 1960.

Border Steel Rolling Mills, Inc.
Sept. 14 filed $2,100,000 of 15-year 6% subordinated sinking fund debentures, due Oct. 1, 1974, and 210,000 shares of common stock ($2.50 par), to be offered in units of $50 principal amount of debentures and five shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—For the purchase of land and construction thereon, and for the manufacture and installation of necessary equipment. **Office**—1609 Texas Street, El Paso, Texas. **Underwriters**—First Southwest Co., Dallas, Texas, and Harold S. Stewart & Co., El Paso, Texas.

Border Steel Rolling Mills, Inc.
Sept. 14 filed 226,380 shares of common stock, to be offered for subscription to stockholders of record Aug. 31, 1959, on the basis of 49 new shares for each share then held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office** — 1609 Texas Street, El Paso, Texas. **Underwriter**—None.

Bowmar Instrument Corp. (12/14)
Nov. 10 filed 78,000 shares of common stock (no par), of which 45,000 shares will be offered for the company's account and 33,000 shares will be offered for the account of several selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—8000 Bluffton Road, Ft. Wayne, Ind. **Underwriter**—Paine, Webber, Jackson & Curtis, New York.

Breuer & Curran Oil Co.
Sept. 24 filed $1,500,000 of co-ownership participations in an oil and gas exploration fund. **Price**—The minimum participations will be $10,000. **Proceeds**—To conduct oil and gas exploration activities. **Office**—3510 Prudential Plaza, Chicago, Ill.

Burch Oil Co.
Sept. 25 (letter of notification) 120,000 shares of class A common stock (par five cents). **Price**—$2.50 per share. **Proceeds**—For building and equipping stations and truck stop and additional working capital. **Office**—C/o Garland D. Burch, at 707 Grattan Road, Martinsville, Va. **Underwriter**—Maryland Securities Co., Inc., Old Town Bank Building, Baltimore 2, Md.

Cadre Industries Corp.
Sept. 25 filed 17,532 shares of common stock (par $5), to be offered to holders of such stock on the basis of one new share for each 8 shares held. **Price**—$64 per share. **Proceeds**—For general corporate purposes, including working capital. **Office**—20 Valley St., Endwell, N. Y. **Underwriter**—None.

California Metals Corp.
July 27 filed 2,500,000 shares of common stock. **Price**—At par (20 cents per share). **Proceeds**—For construction of a pilot plant; for measuring ore; for assaying; and for general corporate purposes. **Office**—3955 South State St., Salt Lake City, Utah. **Underwriter**—Cromer Brokerage Co., Inc., Salt Lake City.

California Mutual Co-Ply, Inc.
Sept. 14 filed 140 shares of voting common stock. **Price**—At par ($5,000 per share). **Proceeds**—To purchase the mill and related facilities of Durable Plywood Co. for $690,000, with the balance to be used for working capital. **Office**—Calpella, Calif. **Underwriter**—The offering is to be made by Ramond Benjamin Robbins, one of the nine promoters, the list of which also includes Harry Ernest Holt, of Eureka, Calif., President of the company.

Calumet & Hecla, Inc., Chicago, Ill.
Oct. 27 filed 188,340 shares of common stock, to be offered in exchange for all of the common and preferred stock of Flexonics Corp., on the basis of one Calumet share for each 2⅝ shares of Flexonics common and one Calumet share for each 4 shares of Flexonics preferred.

★ Cardinal Petroleum Co. (12/21)
Nov. 30 filed 200,000 shares of common capital stock. **Price**—$4 per share. **Proceeds**—For general corporate purposes including debt reduction, drilling and working capital. **Office**—420 No. 4th St., Bismarck, North Dakota. **Underwriter**—J. M. Dain & Co., Inc., Minneapolis, Minn.

Carwin Co.
Oct. 2 filed 48,080 shares common stock (par $2), of which 46,080 shares are being offered for subscription by common stockholders at the rate of one new share for each four shares held on Nov. 16. The rights expire Dec. 7. The remaining 2,000 shares were sold for the account of a selling stockholder. **Price**—$11.50 per share for the rights offering. **Proceeds**—For general corporate purposes including the repayment of outstanding bank loans in the amount of $425,000, the provision of funds for the 1959-60 construction program, and for working capital. **Office**—Stiles Lane, New Haven, Conn. **Underwriter—**Putnam & Co., Hartford, Conn.

Chadbourn Gotham, Inc.
Sept. 28 filed $2,000,000 of 6% conv. subord. debentures, due Oct. 1, 1974, with warrants to purchase 200,000 shares of common stock (par $1), to be offered for subscription by holders of its common stock of record Dec. 1, 1959 (with a 14 day standby) at the rate of $100 of debentures, with an attached warrant to purchase 10 common shares for cash for each 100 common shares held. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes, including working capital and the acquisition of shares of the outstanding common stock of Davenport Hosiery Mills, Inc., of Chattanooga, Tenn. **Office** — 2417 North Davidson St., Charlotte, N. C. **Underwriter—**R. S. Dickson & Co. Charlotte, N. C.

★ Chattanooga Industrial Development Corp.
Nov. 25 (letter of notification) 40,000 shares of non-assessable capital stock (no par). **Price**—$5 per share. **Proceeds**—For working capital. **Office**—1023 Chattanooga Bank Bldg., Chattanooga, Tenn. **Underwriter**—None.

• Citizens' Acceptance Corp.
June 29 filed $600,000 of series F 6% five-year subordinated debentures, to be offered to the present holders of the company's subordinated debentures in exchange, at face value, on the maturity dates of those securities so long as there are bonds remaining unsold in this offering. No bonds will be reserved for this exchange offering. **Price**—100% of principal amount. **Proceeds**—To increase or maintain the working capital of the company but will be initially applied to the reduction of short-term notes due within one year. Part of the proceeds may also be used to retire outstanding subordinated debentures not exchanged. **Office**—Georgetown, Del. **Underwriter**—None. Statement effective Nov. 20.

Citizens Casualty Co. of New York (12/14-18)
Nov. 9 filed 250,000 shares of class A common stock (par $2). **Price**—To be supplied by amendment. **Proceeds**—To be invested in income-producing securities. **Office**—33 Maiden Lane, New York City. **Underwriter**—Lee Higginson Corp.

Clary Corp.
Nov. 13 (letter of notification) an undetermined number of shares of common stock (par $1) to be offered for subscription by stockholders on the basis of one new share for each 22 shares held (with an over-subscription privilege). **Price**—At-the-market. **Proceeds**—Not to exceed $300,000, which will be used for working capital. **Office**—408 Junipero St., San Gabriel, Calif. **Underwriter**—None.

Columbian Financial Development Co.
Aug. 14 filed $1,000,000 of Plans for Investment in Shares in American Industry, of which $500,000 was for Single Payment Investment Plans and $500,000 for Systematic Investment Plans and Systematic Investment Plans With Insurance. **Office**—15 East 40th Street, New York. **Underwriter** — None. **Offering** — Expected some time after Jan. 1, 1960.

Combined Electronics, Inc.
Oct. 30 filed 800,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—For general corporate purposes, inclding expansion, new product development, and working capital. **Office**—135 S. La Salle Street, Chicago, Ill. **Underwriter**—David Johnson & Associates, Inc., Indianapolis, Ind., on a "best efforts" basis.

★ Commerce Drug Co.
Nov. 30 filed 90,000 shares of common stock. **Price**—$6.50 per share. **Proceeds**—To selling stockholders. **Office**—505 Court St., Brooklyn, N. Y. **Underwriter** — Marron, Edens, Sloss & Co. **Offering**—Expected in January.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

★ Commercial Metals Co.
Nov. 25 filed 100,000 shares of outstanding common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—512 South Akard St., Dallas, Tex. **Underwriter**—Eppler, Guerin & Turner, Inc. **Offering**—Expected in the first couple of weeks in January.

Conde Nast Publications, Inc.
Oct. 30 filed 501,863 shares of common stock (no par) being offered for subscription by common stockholders on the basis of one new share for each two shares held. Rights expire Dec. 11. **Price**—$8 per share. **Proceeds**—To retire $3,500,000 bank loan incurred in connection with the acquisition of Street & Smith Publications, Inc. last August. **Office**—420 Lexington Avenue, New York City. **Underwriter—None.** The registration statement became effective Nov. 24.

• Conetta Manufacturing Co. (12/7)
Sept. 28 filed 100,000 shares of class A common stock (par 10c). **Price**—$4 per share. **Proceeds**—For working capital; to prepay a bank note; and for machinery and equipment. **Office**—73 Sunnyside Avenue, Stamford, Conn. **Underwriter**—Vermilye Bros., New York.

Consolidated Development Corp.
Aug. 28 filed 448,000 shares of common stock (par 20c), of which 1198,000 shares are to be offered to holders of the issuing company's 6% convertible debentures, and 100,000 shares are to be offered to the underwriter, with the remaining 150,000 shares, in addition to those shares described above not subscribed for by the debenture holders and the underwriter, respectively, to be publicly offered. **Price**—For the shares to be offered to the debenture holders, 75c per share, which is equal to the price at which the debentures are convertible into common stock; for the shares to be offered to the underwriter, $1 per share; for the shares to be offered to the public, the price will be related to the current price of the outstanding shares on the American Stock Exchange at the time of the offering. **Proceeds**—For general corporate purposes. **Office** — Calle 23, No. 956, Vedado, Havana, Cuba. **Underwriter**—H. Kook & Co., Inc., New York.

Consolidated Development Corp., Pompano Beach, Fla.
Nov. 24 filed 140,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—To pay outstanding notes and for working capital. **Underwriter**—Consolidated Securities Corp., of Pompano Beach, Fla., on a best efforts basis.

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NEW ISSUE CALENDAR

December 4 (Friday)

International Utilities Corp. .... Preferred
(Butcher & Sherrerd) 350,000 shares

December 7 (Monday)

Anodyne, Inc. .... Common
(Ross, Lyon & Co., Inc.) $300,000

Anthony Pools, Inc. .... Common
(Marron, Edens, Sloss & Co., Inc.) 200,000 shares

Conetta Manufacturing Co. .... Common
(Vermilye Bros.) $400,000

Consolidated Diesel Electric Corp. .... Debentures
(Van Alstyne, Noel & Co.) $1,000,000

Dilberts Leasing & Development Corp. .... Debens.
(Ira Haupt & Co.) $2,500,000

Dilberts Leasing & Development Corp. .... Common
(Ira Haupt & Co.) 600,000 shares

Don Mott Associates, Inc. .... Common
(Leon H. Sullivan, Inc.) $1,617,500

Dutron Corp. .... Common
(J. Barth & Co.) 118,030 shares

Dynex, Inc. .... Common
(Myron A. Lomasney & Co.) $600,000

Electronics Funding Corp. .... Common
(Darius Inc.) $150,000

Faradyne Electronics Corp. .... Common
(Netherlands Securities Co., Inc.; Herbert Young & Co., Inc.; Morris Cohon & Co.; Schrijver & Co. and Richard Bruce & Co., Inc.) $1,150,000

Fastline, Inc. .... Common
(Mortimer B. Burnside & Co., Inc.) $300,000

Garden Land Co., Ltd. .... Common
(Hill, Darlington & Co.) 200,000 shares

Jurgensen's Co. .... Common
(Evans MacCormack & Co.; Bingham, Walter & Hurry, Inc.; Wagenseller & Durst, Inc. and Jones, Cosgrove & Miller) $292,500

Minitran Corp. .... Common
(Pleasant Securities Co.) $300,000

Mohawk Business Machines Corp. .... Common
(Myron A. Lomasney & Co.) 30,000 shares

Mohawk Business Machines Corp. .... Debentures
(Myron A. Lomasney & Co.) $600,000

National Video Corp. .... Common
(Bache & Co.) 283,307 shares

Palomar Mortgage Co. .... Common
(J. A. Hogle & Co.) 80,000 shares

Palomar Mortgage Co. .... Debentures
(J. A. Hogle & Co.) $750,000

Rad-O-Lite, Inc. .... Common
(John G. Cravin & Co.) $450,000

Talcott (James), Inc. .... Notes
(F. Eberstadt & Co. and White, Weld & Co.) $7,500,000

Talcott (James), Inc. .... Notes
(F. Eberstadt & Co. and White, Weld & Co.) $15,000,000

Trans-World Financial Co. .... Common
(W. R. Staats & Co.) 655,000 shares

Universal Container Corp. .... Common
(Michael G. Kletz & Co.) $600,000

Winkelman Bros. Apparel, Inc. .... Common
(Watling, Lerchen & Co.) 145,000 shares

Worcester County Electric Co. .... Bonds
(Bids to be invited) $7,500,000

December 8 (Tuesday)

Arkansas Power & Light Co. .... Bonds
(Bids 11:30 a.m. EST) $15,000,000

Fed-Mart Corp. .... Debentures
(Eastman Dillon, Union Securities & Co.) $3,000,000

Fall River Electric Light Co. .... Preferred
(Bids 11 a.m. EST) $3,000,000

Hydromatics, Inc. .... Common
(Paine, Webber, Jackson & Curtis and Tucker, Anthony & R. L. Day) 105,000 shares

Red Fish Boat Co. .... Common
(R. A. Holman & Co., Inc.) $300,000

Scott-Mattson Farms, Inc. .... Common
(R. S. Dickson & Co.) 67,500 shares

Transitron Electronic Corp. .... Common
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 1,000,000 shares

December 9 (Wednesday)

Financial Federation, Inc. .... Common
(Kidder, Peabody & Co.) 235,000 shares

Ford Motor Co. .... Common
(The First Boston Corp.; Goldman, Sachs & Co.; Kuhn, Loeb & Co.; Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc.) 2,000,000 shares

Land Bank of France .... Bonds
(Morgan Stanley & Co. and Lazard Freres & Co.) $50,000,000

Missouri Power & Light Co. .... Bonds
(Bids 11 a.m. EST) $4,000,000

New England Power Co. .... Preferred
(Bids to be invited) $10,000,000

Superior Manufacturing & Instrument Corp. .... Com.
(D. A. Lomasney & Co.) $240,000

December 11 (Friday)

Alberta Municipal Financing Corp. .... Debentures
(The First Boston Corp. and Wood, Gundy & Co., Inc.) $20,000,000

December 14 (Monday)

Anelex Corp. .... Debentures
(Putnam & Co.) $2,250,000

Anelex Corp. .... Common
(Putnam & Co.) 90,000 shares

Bowmar Instrument Corp. .... Common
(Paine, Webber, Jackson & Curtis) 76,000 shares

Citizens Casualty Co. of New York .... Common
(Lee Higginson Corp.) 250,000 shares

Gulf & Western Corp. .... Debentures
(Ira Haupt & Co.) $1,500,000

King's Grant Inn, Inc. .... Common
(Osborne, Clark & Van Buren, Inc.) $300,000

Micronaire Electro Medical Products Corp. .... Com.
(General Investing Corp.) 200,000 shares

Micronaire Electro Medical Products Corp. .... Wts.
(General Investing Corp.) 50,000 warrants

Midwestern Financial Corp. .... Common
(William R. Staats & Co.; Boettcher & Co. and Bosworth, Sullivan & Co., Inc.) 250,000 shares

Nedick's Stores, Inc. .... Common
(Van Alstyle, Noel & Co.) 17,000 shares

Turner Timber Corp. .... Common
(Frank P. Hunt & Co., Inc.) 250,000 shares

Turner Timber Corp. .... Debentures
(Frank P. Hunt & Co., Inc.) $2,000,000

United Marine, Inc. .... Common
(Boenning & Co.) 125,000 shares

United Marine, Inc. .... Debentures
(Boenning & Co.) $1,250,000

Victoreen Instrument Co. .... Debentures
(Van Alstyne, Noel & Co.) $2,500,000

December 15 (Tuesday)

BarChris Construction Corp. .... Common
(Peter Morgan & Co.) $1,680,000

Behlen Manufacturing Co. .... Common
(Smith Barney & Co.; Kirkpatrick-Pettis Co. and The First Trust Co. of Lincoln, Neb.) 370,000 shares

Bell Telephone Co. of Pennsylvania .... Debentures
(Bids 11 a.m. EST) $30,000,000

Copperweld Steel Co. .... Debentures
(Dillon, Read & Co., Inc. and Riter & Co.) $8,000,000

Electronics Development, Inc. .... Common
(First Broad Street Corp.) $404,106.50

Florida Tile Industries, Inc. .... Common
(Johnson, Lane, Space Corp.) 89,285 shares

Perrine Industries, Inc. .... Debentures
(S. D. Fuller & Co.) $1,500,000

Public Service Electric & Gas Co. .... Common
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 800,000 shares

December 16 (Wednesday)

Dyna-Therm Chemical Corp. .... Common
(Peter Morgan & Co.) $600,000

Tobin Craft, Inc. .... Common
(General Investing Corp.) $150,000

January 4 (Monday)

General Public Utilities Corp. .... Common
(Offering to stockholders—No underwriting) 1,115,000 shares

January 15 (Friday)

Aircraft Dynamics International Corp. .... Common
(Aviation Investors of America, Inc.) $300,000

January 19 (Tuesday)

Kansas Gas & Electric Co. .... Common
(Bids to be invited) 200,000 shares

Louisiana Gas Service Co. .... Bonds
(Bids to be invited)

December 21 (Monday)

Cardinal Petroleum Co. .... Common
(J. M. Dain & Co., Inc.) $800,000

January 11 (Monday)

Washington Water Power Co. .... Bonds
(Kidder, Peabody & Co.; Blyth & Co., Inc.; White, Weld & Co. and Dean Witter & Co.) $10,000,000

Washington Water Power Co. .... Debentures
(Kidder, Peabody & Co.; Blyth & Co., Inc.; White, Weld & Co. and Dean Witter & Co.) $5,000,000

Continued from page 31

● Consolidated Diesel Electric Corp. (12/7-11)
Oct. 29 filed $1,000,000 of 6% convertible subordinated debentures, due Nov. 1, 1975. **Price**—At 100% of principal amount. **Proceeds**—For working capital and the discharge of $187,535 of debts. **Office**—880 Canal Street, Stamford, Conn. **Underwriter**—Van Alstyne, Noel & Co., New York.

Consumers Cooperative Association
Nov. 3 filed $9,000,000 of 5½% 25-year subordinated certificates of indebtedness and 120,000 shares of preferred stock (par $25). **Price**—The certificates are to be offered in units of $100; the preferred stock is to be sold at $25 per share. **Proceeds**—To be added to general funds of the association and be used for retiring maturing certificates of indebtedness and for capital expenditures. **Office**—Kansas City, Mo. **Underwriter**—None.

Continental Reserve Co.
Nov. 13 (letter of notification) 300,000 shares of common stock (par 30 cents). **Price**—$1 per share. **Proceeds**—To invest in the common stock of its proposed subsidiary, Continental Reserve Life Insurance Co. **Office**—914-916 Kearns Bldg., Salt Lake City, Utah. **Underwriter**—Columbine Securities Corp., Denver, Colo.

★ Cooper Tire & Rubber Co.
Dec. 1 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office** — Lima & Western Avenues, Findlay, Ohio. **Underwriters**—Paine, Webber, Jackson & Curtis, Boston, Mass., and Prescott, Shepard & Co., Inc., Cleveland, O.

● Copperweld Steel Co. (12/15-18)
Nov. 16 filed $8,000,000 of convertible subordinated debentures, due Dec. 1, 1979. The company has applied for the listing of the debentures on the New York Stock Exchange. **Price**—To be supplied by amendment. **Proceeds**—To repay short-term notes with the balance to be added to general funds. **Underwriters**—Dillon, Read & Co., Inc., and Riter & Co., both of New York.

Copymation, Inc. (formerly Peck & Harvey Mfg. Company)
Sept. 23 (letter of notification) 100,000 shares of common stock (par 50 cents). **Price**—$3 per share. **Proceeds**—To pay bank loans and loans to stockholders and others and for working capital. **Office**—5642-50 North Western Avenue, Chicago 45, Ill. **Underwriter**—Simmons & Co., (handling the books) and Plymouth Securities Corp., both of New York, N. Y. **Offering**—Expected any day.

Coraloc Industries, Inc.
Oct. 30 (letter of notification) 5,450 shares of common stock (par $5) and 27,250 shares of preferred stock (par $10) to be offered in units of five shares of preferred and one share of common. **Price**—$55 per unit. **Proceeds**—For engineering and technical costs, sales, services, etc. **Business**—Manufactures swimming pools. **Office**—494 S. San Vicente Boulevard, Los Angeles 43, Calif. **Underwriter**—Edward Lewis Co., Inc., New York, N. Y. **Offering**—Expected in two to three weeks (subject to SEC clearance).

★ Crest Investment Trust, Inc.
Nov. 30 filed 1,172 shares of type A and 7,400 shares of type B common stock, together with $42,500 of 6% debenture notes. **Price**—$110 per share of stock; the notes will be offered in units of $500. **Proceeds**—For expansion. **Office**—41 W. Preston St., Baltimore, Md.

★ Crown Aluminum Industries Corp.
Nov. 30 filed $1,500,000 of 17-year, 7½% debentures, due Jan. 15, 1977, and 180,000 shares of common stock, to be offered in units of $100 of debentures and 12 shares of stock. **Price**—$160 per unit; and $6.50 per share for an additional 100,000 shares included in the registration statement and not covered above. **Proceeds**—For general corporate purposes, including 1,200,000 for installing and equipping a hot rolling mill. **Office**—202 Reynolds Arcade Bldg., Rochester, N. Y. **Underwriter**—Adams & Peck, New York City. **Offering**—Expected in January.

Crusader Oil & Gas Corp., Pass Christian, Miss.
May 26 filed 1,500,000 shares of common stock, of which 641,613 shares will be offered on a one-for-one basis to stockholders. The remaining 858,387 shares will be offered publicly by the underwriter on a "best efforts" basis. **Price**—To be supplied by amendment. **Proceeds**—For repayment of notes and for working capital. **Underwriter**—To be supplied by amendment.

Dallas Power & Light Co.
Nov. 10 filed $20,000,000 of first mortgage bonds, due 1989. **Proceeds**—To repay short-term borrowings from Texas Utilities Co., the parent company, which amounted to $12,500,000 on Sept. 30, with the balance to be used for general corporate purposes, including construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Salomon Bros. & Hutzler; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Eastman Dillon, Union Securities & Co.; Blair & Co., Inc. and Baxter & Co. (jointly); Lehman Brothers. **Bids**—Expected to be received up to noon on Dec. 14.

★ Davega Stores Corp.
Nov. 25 filed 88,000 shares of common stock to be offered to present stockholders at the rate of one new share for each three shares held. **Price** — $7 per share. **Proceeds** — For expansion and other corporate purposes. **Office**—215 4th Ave., New York City. **Underwriter**—None.

Dayton Aviation Radio & Equipment Corp.
Sept. 28 filed 201,050 shares of common stock, of which 190,871 shares are to be offered to holders of outstanding stock as of the record date on the basis of one new share for each four shares then held. **Price**—$1.50 per share. **Proceeds**—To finance government contracts, reduce accounts payable, and increase working capital. **Office**—South Dixie Highway, Troy, Ohio.

★ Delaware Securities Corp.
Nov. 13 filed 700,000 shares of common stock (par one cent). **Price**—$5 per share. **Proceeds**—For working capital. **Office**—50 Broadway, New York. **Underwriter**—None.

Deluxe Aluminum Products, Inc.
Oct. 15 filed $330,000 of convertible debentures, and 70,000 shares of common stock. **Price**—For the debentures, 100% of principal amount; for the stock, $5 per share. **Proceeds**—From 10,000 shares of the common stock, to the present holders thereof; from the rest of the offering, to the company to be used for expansion and as working capital. **Office**—6810 S. W. 81st St., Miami, Fla.

Denab Laboratories, Inc.
July 31 filed 50,000 shares of common stock (par $2.50). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including salaries, cars, promotion, inventory, the establishment of branch offices, expenses incidental to obtaining permission to do business in other states, and the establishment of a contingency reserve. **Office**—1420 East 18th Avenue, Denver, Colo. **Underwriter**—None.

Digitronics Corp.
Sept. 25 filed 65,877 shares of capital stock (par 10 cents) being offered to the holders of outstanding shares of such stock on the basis of one new share for each five shares held. The rights dates are Nov. 18 to Dec. 3. **Price**—$7.50 per share. **Proceeds**—For general corporate purposes. **Office** — Albertson, L. I., N. Y. **Underwriter** — Granbery, Marache & Co., New York City.

Dilberts Leasing & Development Corp. (12/7-11)
June 11 filed $4,400,000 (subsequently reduced to $2,500,000) of 20-year convertible debentures, due July 15, 1979 and 1,056,000 shares (subsequently reduced to 600,000 shares) of common stock (par 1c) to be offered in units consisting of $50 principal amount of debentures and 12 shares of common stock. Debentures are guaranteed as to principal and interest by Dilbert's Quality Supermarkets Inc., the parent company. **Price**—$51.20 per unit. **Proceeds** — For repayment of notes; to develop and construct shopping centers and a super-market under existing purchase contracts and for working capital. **Name Changed**—Company formerly known as Dilbert's Properties, Inc. **Office**—93-02 151st Street Jamaica, N. Y. **Underwriter**—Ira Haupt & Co., New York.

Diversified Communities, Inc.
Sept. 25 filed 367,200 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For acquisition of Hope Homes, Inc., Browntown Water Co. and Cantor & Goldman Builders, Inc., with the balance to be used as working capital. **Office**—29A Sayre Woods Shopping Center, Madison Township, P. O. Parlin, N. J. **Underwriter**—Lee Higginson Corp., New York.

★ Diversified Growth Stock Fund, Inc.
Nov. 24 filed (by amendment) an additional 3,000,000 shares of capital stock (par $1). **Price**—At market. **Proceeds**—For investment. **Office**—Elizabeth, N. J.

● Don Mott Associates, Inc. (12/7-11)
Oct. 27 filed 161,750 shares of class B, non-voting, common stock (par $5). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including payment on a building and the financing of loans. **Office**—Orlando, Fla. **Underwriter**—Leon H. Sullivan, Inc., Philadelphia, Pa., on a "best efforts" basis.

Drexelbrook Associates
May 22 filed $2,000,000 of partnership interests, to be offered in units. **Price**—$10,000 per unit. **Proceeds**—To be used for various acquisitions. **Office** — Broad & Chestnut Streets, Philadelphia, Pa. **Underwriter**—None.

Dutron Corp. (12/7-8)
Nov. 5 filed 118,030 shares of common stock (no par), of which 100,000 shares are to be offered for the account of the issuing company and 18,030 shares, representing outstanding stock, to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes, including the purchase of equipment, addition to working capital, and the redemption of the preferred stock of a subsidiary. **Office**—607 Irwin St., San Rafael, Calif. **Underwriter**—J. Barth & Co., New York.

Dyna-Therm Chemical Corp. (12/16)
Oct. 28 filed 200,000 shares of capital stock (par $1). **Price**—$3 per share. **Proceeds**—To purchase stock of subsidiaries, for payment of loans, and for working capital. **Office** — Culver City, Calif. **Underwriter** — Peter Morgan & Co., New York City.

Dynatronics, Inc.
Nov. 6 (letter of notification) $105,000 of five-year 6% subordinated debentures to be offered in denominations of $500 each with warrants to purchase 143 shares of common stock. **Price**—$3.50 per share. **Proceeds**—For working capital. **Office**—P. O. Box 2566, Orlando, Fla. **Underwriter**—None.

Dynex, Inc.
Aug. 6 filed 120,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes, including product research, the purchase of new equipment, and expansion. **Office** — 123 Eileen Way, Syosset, L. I., N. Y. **Underwriter**—Myron A. Lomasney & Co., New York.

Echo Bay Lead-Silver Mines, Inc.
Nov. 4 (letter of notification) 2,000,000 shares of non-assessable common stock to be offered for subscription by stockholders of record May 12, 1959 with the right to purchase one share for each share held. **Price**—At par (10 cents per share). **Proceeds** — For mining expenses. **Address**—P. O. Box 364, Coeur d'Alene, Idaho. **Underwriter**—None.

E. H. P. Corp.
Aug. 31 filed 160,000 shares of capital stock (par 10c), of which 100,000 shares are to be publicly offered. **Price**—$2.50 per share. **Proceeds** — To provide funds for the purchase of vending machines which will be used to distribute automobile breakdown insurance policies on thruways, parkways and highways in the amount of $25 of such breakdown insurance for the purchase price of 25 cents, and for a public relations and publicity program. **Office**—Hotel Troy Building, Troy, New York. **Underwriter**—John R. Boland & Co., Inc., New York. **Offering**—Expected in two to three weeks' time (subject to SEC approval).

ESA Mutual Fund, Inc.
June 29 filed 2,000,000 shares of capital stock. **Price**—To be supplied by amendment. **Proceeds**—For investment. **Investment Adviser**—Yates, Heitner & Woods, St. Louis, Mo. **Underwriter**—ESA Distributors, Inc., Washington, D. C. **Office**—1028 Connecticut Avenue, N. W., Washington, D. C.

★ Electricar Corp.
Nov. 23 (letter of notification) 99,850 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 393 S. Main St., Freeport, L. I., N. Y. **Underwriter**—None.

Electronics Development, Inc. (12/15)
Sept. 25 filed 115,459 shares of common stock (par 10c). **Price**—$3.50 per share. **Proceeds**—For plant erection, advertising, research and development, and working capital. **Office** — Gill and West College Streets, State College, Pa. **Underwriter**—First Broad Street Corp., 50 Broad St., New York.

Electronics Funding Corp. (12/7-11)
Oct. 19 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Business** — Sales and leaseback of special and staple machinery and equipment for the American electronics industry. **Office** — c/o Darius Inc., 90 Broad Street, New York 4, N. Y. **Underwriter**—Darius Inc., New York, N. Y.

Equity Annuity Life Insurance Co.
April 21 filed $1,000,000 of Variable Annuity Policies. **Price**—No less than $120 a year for annual premium contracts and no less than $1,500 for single premium contracts. **Proceeds**—For investment, etc. **Office**—2480 16th Street, N. W., Washington, D. C. **Underwriter**—None.

★ Fairchild Camera & Instrument Corp.
Nov. 30 registered 39,802 shares of outstanding common stock. The company issued 19,901 shares of common last October in order to acquire Fairchild Semiconductor Corp. Fairchild Camera split two-for-one on Nov. 30, and the current registration is to provide Semiconductor's former shareholders with a prospectus so that they may sell all or part of their shares. **Office** — Syosset, L. I., N. Y.

Fall River Electric Light Co. (12/8)
Oct. 22 filed 30,000 shares of preferred stock (par $100). **Proceeds**—To be used for prepayment of the company's short-term bank loans which amounted to $2,800,000 at Oct. 19, 1959 and the balance will be used for construction purposes. **Underwriters**—To be determined by competitive bidding. Probable bidders: Stone & Webster Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co. **Bids**—Expected to be received up to 11 a.m. (EST) on Dec. 8, 1959 at the offices of the company, 49 Federal Street, 8th Floor, Boston, Mass.

● Faradyne Electronics Corp. (12/7)
Sept. 1 filed 230,000 shares of common stock (par five cents) of which 200,000 shares are to be publicly offered. **Price**—$5 per share. **Proceeds**—For general corporate purposes, including plant expansion, improvement and equipment. **Office** — 744 Broad St., Newark, N. J. **Underwriters** — Netherlands Securities Co., Inc. (handling the books) and Herbert Young & Co., Inc. (jointly); Morris Cohon & Co.; Schrijver & Co.; Richard Bruce & Co., Inc., all of New York.

Fastline, Inc. (12/7-11)
Nov. 6 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—8 Washington Place, New York, N. Y. **Underwriter** — Mortimer B. Burnside & Co., Inc., New York, N. Y.

● Fed-Mart Corp. (12/8)
Nov. 6 filed $3,000,000 of 6% subordinated debentures, due Dec. 1, 1979, convertible through Nov. 30, 1969. **Price**—To be supplied by amendment. **Proceeds**—For intermediate- and long-term capital requirements. **Office**—8001 Othello Street, San Diego, Calif. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

★ Filier Products, Inc.
Nov. 20 (letter of notification) 59,949 shares of class A common stock (par $1), of which 39,949 shares are to be offered, for the account of the issuing company and 20,000 shares are to be offered for the account of I. J. Filler, selling stockholder. **Price**—$5 per share. **Proceeds**—To promote and advertise the new process of the company and for working capital. **Office** — 715 Highland Ave., N. E., Atlanta, Ga. **Underwriter**—None.

● Financial Federation, Inc. (12/9)
Nov. 6 filed 235,000 shares of capital stock ($1 par). **Price**—To be supplied by amendment. **Proceeds**—Mostly for the repayment of short-term notes, with the balance for working capital. **Office**—5150 Wilshire Boulevard, Los Angeles, Calif. **Underwriter**—Kidder, Peabody & Co., New York.

Financial Industrial Income Fund, Inc.
July 22 filed 1,000,000 shares of common capital stock **Price**—At market. **Proceeds**—For investment. **Office**—950 Broadway, Denver, Colo. **General Distributor**—FIF Management Corp., Denver, Colo.

First Northern-Olive Investment Co.
Aug 17 filed 20 partnership interests in the partnership. Similar filings were made on behalf of other Northern-Olive companies, numbered "second" through "eighth." **Price**—$10,084 to $10,698 per unit. **Proceeds**—To purchase land in Arizona. **Office**—1802 North Central Ave., Phoenix, Ariz. **Underwriter**—O'Malley Securities Co., Phoenix. Statement effective Oct. 9.

Florida Tile Industries, Inc. (12/15-24)
Nov. 12 filed 89,285 shares of class A common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—It is expected that about $437,500 will be used for additional working capital and/or general corporate purposes, of which $250,000 may be expended for additional facilities, and that about $87,500 will be used to retire short-term bank loans. **Office**—Lakeland, Fla. **Underwriter**—Johnson, Lane, Space Corp., Atlanta, Ga.

Ford Motor Co., Dearborn, Mich. (12/9)
Nov. 19 filed 2,000,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholder (Ford Foundation). **Underwriters**—Blyth & Co., Inc., The First Boston Corp., Goldman, Sachs & Co., Kuhn, Loeb & Co., Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co., all of New York.

Formula 409, Inc.
Oct. 29 filed 300,000 shares of common stock (no par). **Price**—$1.50 per share. **Proceeds**—For advertising, reduction of indebtedness, bottling equipment, payment of $44,000 for acquisition of formula 409, a liquid degreaser, and office equipment. **Office**—10 Central Street, West Springfield, Mass. **Underwriter**—DiRoma, Alexik & Co., Springfield, Mass.

★ **Franklin Custodian Funds, Inc.**
Nov. 30 filed an amendment to its registration statement covering an additional 870,000 special series shares. **Proceeds**—For investment. **Office**—64 Wall St., New York City.

Fredonia Pickle Co., Dunkirk, N. Y.
July 29 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Underwriter** — Summit Securities, Inc., New York. **Offering**—Expected in about two weeks.

★ **Fuelane Corp.**
Nov. 24 (letter of notification) 6% convertible debentures, series "A," due 1969 (to bear interest from Dec. 1, 1959). **Price**—At par. **Proceeds**—Retirement of Morgan Guaranty Trust Co. term loan; completion of bulk plant expansion program; acquisition of seven Burroughs' F. 101 Sensamatic bookkeeping machines; elimination of certain indebtedness; and for working capital. **Office**—Railroad Ave., Liberty, N. Y. **Underwriter**—None.

Fuller (H. B.) Co.
Nov. 17 (letter of notification) 4,585 shares of preferred stock. **Price**—At par ($10 per share). **Proceeds**—For working capital. **Office**—255 Eagle Street, St. Paul 2, Minn. **Underwriter**—None.

Garden Land Co., Ltd. (12/7-11)
Nov. 9 filed 200,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds** — For land conversion and improvement in California, with the balance to be added to working capital. **Office** — 17315 Sunset Boulevard, Pacific Palisades, Calif. **Underwriter**—Hill, Darlington & Co., New York City.

★ **Gence & Associates, Inc.**
Nov. 13 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To pay an outstanding obligation and for working capital. **Office**—1500 E. Colorado St., Glendale, Calif. **Underwriter**—California Investors, Los Angeles, Calif.

● **General Coil Products Corp.**
Oct. 29 (letter of notification) 99,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For automation of operations; working capital; additional equipment and machinery and research and development. **Office**—147-12 Liberty Ave., Jamaica, N. Y. **Underwriter**—A. T. Brod & Co., New York and Washington, D. C. **Offering**—Expected in two weeks (subject to Securities and Exchange Commission clearance).

General Finance Corp.
Sept. 11 filed 150,000 shares of common stock. **Price—$3** per share. **Proceeds**—For working capital, with $15,000 being allocated for lease improvements and equipment and supplies. **Office** — Santurce, Puerto Rico. **Underwriter**—Caribbean Securities Co., Inc., Avenida Condado 609, Santurce, Puerto Rico.

General Public Utilities Corp. (1/4)
Nov. 24 filed 1,115,000 additional shares of common stock (par $2.50) to be offered to common stockholders of record Dec. 30, 1959, on the basis of one new share for each 20 shares so held; rights to expire on Jan. 19, 1960. **Price**—To be supplied by amendment. **Proceeds**—To pay short-term bank loans, and the balance will be added to the general funds of the company. **Underwriter**—None.

Gold Medal Packing Corp.
June 18 filed 572,500 shares of common stock (par one cent), and 50,000 common stock purchase warrants. Of the shares 400,000 will be sold for the account of the company; 110,000 by certain stockholders; 12,500 for the underwriter; and the remaining 50,000 shares are purchasable upon exercise of the warrants. **Price—$1.25** per share. **Proceeds**—For repayment of debt; purchase of equipment and facilities and other general corporate purposes. **Office**—614 Broad St., Utica, N. Y. **Underwriter**—Mortimer B. Burnside & Co., New York. **Name Change** — Formerly Eastern Packing Corp.

Gold Medal Studios, Inc.
Sept. 18 filed 500,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes, including the purchase of additional studio equipment, investing in properties in the entertainment field, and the provision of funds for a down payment on another building or buildings. **Office**—807 E. 175th Street, New York, N. Y. **Underwriter**—Arnold Malkan & Co., Inc., New York.

Granco Products, Inc.
Oct. 21 (letter of notification) 42,860 warrants and 60,000 shares of common stock (par 50 cents). The stock is underlying the warrants, and the purpose of the filing was to permit the warrant holders to exercise their warrants and buy the underlying stock at $2.50 per share during the life of the warrant. The expiration date of the warrant is Feb. 25, 1961. The price of the warrant is at the market. **Proceeds**—In the first instance, to the warrant holders; if they convert, Granco's treasury will receive $2.50 per share. **Office**—36-17 20th Ave., Long Island City, N. Y. **Underwriter**—John R. Boland & Co., Inc., New York City.

Great Lakes Bowling Corp.
Aug. 31 filed 120,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the development of bowling lanes, bars, and restaurants on various Michigan properties. **Office**—6336 Woodward Ave., Detroit, Mich. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill. **Offering**—Expected sometime after Jan. 1, 1960.

Great Western Financial Corp.
Oct. 19 filed $9,998,800 of convertible subordinated debentures, due Dec. 1, 1974, being offered for subscription by common stockholders of record Nov. 20, 1959 (with a 14 day standby), on the basis of one new debenture for each 22 shares then held; rights to expire on or about Dec. 4. **Price**—At 100%. **Proceeds**—For general corporate purposes, including the reduction of indebtedness. **Office**—4401 Crenshaw Boulevard, Los Angeles, Calif. **Underwriter**—Lehman Brothers, New York.

Greater Washington Industrial Investments, Inc.
Nov. 4 filed 20,500 shares of common stock (par $1). **Price**—$8.50 per share. **Proceeds** — For investments in small businesses. **Office**—1625 Eye St., N. W., Washington, D. C. **Underwriter**—None.

Green River Production Corp.
Oct. 15 (letter of notification) 200,000 shares of common stock (par 50 cents). **Price**—$1.50 per share. **Proceeds**—For expenses for exploring for oil and gas. **Office**—212 Sixth Ave., South, Nashville, Tenn. **Underwriter**—Crescent Securities Co., Inc., Bowling Green, Ky.

★ **Greer Hydraulics, Inc.**
Nov. 27 filed 250,000 additional shares of common stock ($.50 par) to be offered for subscription by holders of the outstanding common. **Price** — To be supplied by amendment. **Office**—Jamaica, L. I., N. Y. **Proceeds**—To relocate company in Los Angeles, with the balance to be used for general corporate purposes, including the reduction of indebtedness. **Underwriter** — Burnham & Co., New York City.

Growth Fund of America, Inc.
Feb. 4 filed 250,000 shares of common stock (par 10 cents). **Price**—At market. **Proceeds**—For investment. **Office** — 1825 Connecticut Avenue, Washington, D. C. **Investment Advisor** — Investment Advisory Service, Washington, D. C. **Underwriter**—Investment Management Associates, Inc., Washington, D. C. The statement became effective July 24.

Guaranty Insurance Agency, Inc.
See, Mortgage Guaranty Insurance Corp., below.

Gulf & Western Corp. (12/14-18)
Nov. 5 filed $1,500,000 of 6% convertible subordinated debentures, due Nov. 15, 1974. **Price**—To be supplied by amendment. **Proceeds**—Initially for working capital, and, as required, to finance increased inventories and accounts receivable on behalf of subsidiaries. **Office**—4615 Empire State Bldg., New York. **Underwriter**—Ira Haupt & Co., New York City.

★ **Hanley Industries, Inc.**
Nov. 25 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—For working capital. **Office** — 4575 Goodfellow Blvd., St. Louis 20, Mo. **Underwriter**—None.

★ **Harmar Co., Inc.**
Nov. 18 (letter of notification) $50,000 of 6% 10-year convertible subordinated debentures series A to be offered in denominations of $500 each. Debentures are convertible into class B common stock at the rate of five shares for each $500 debenture. **Price**—At par. **Proceeds**—For working capital. **Underwriter**—Eastern Investment Corp., Manchester, N. H.

● **Harnischfeger Corp.**
Aug. 28 filed 200,000 shares of common stock (par $10) **Price**—To be related to the market price of outstanding shares on the American Stock Exchange at the time of the offering. **Proceeds** — In part to repay outstanding unsecured short-term bank loans, expected to approximate $4,000,000, with the balance to be used for general corporate purposes. **Office** — 4400 W. National Ave., Milwaukee, Wis. **Underwriter**—The First Boston Corp., New York. **Offering**—Indefinitely postponed due to New York. The registration statement was withdrawn on Nov. 25.

(H. M.) Harper Co.
Nov. 6 filed 100,000 shares of common stock (par $1), of which 60,000 shares are being offered for the account of the issuing company, and 40,000 shares are being offered for the accounts of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office** — Morton Grove, Ill. **Underwriter**—Blunt Ellis & Simmons, Chicago, Ill. **Offering**—Expected in mid-December.

★ **Hi Jolly Mines Corp.**
Nov. 23 (letter of notification) 112,500 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For mining expenses. **Office**—262 N. Meyer Ave., Tucson, Ariz. **Underwriter**—None.

Hickerson Bros. Truck Co., Inc.
March 11 (letter of notification) 285,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To pay existing liabilities; for additional equipment; and for working capital. **Office**—East Tenth Street, P. O. Box 68, Great Bend, Kan. **Underwriter**—Birkenmayer & Co., Denver, Colo. **Offering**—Expected shortly.

★ **Honeycomb Products, Inc.**
Nov. 10 (letter of notification) 90,000 shares of capital stock (no par). **Price**—$3 per share. **Proceeds**—To pay for the cost of plant machinery and working capital. **Office**—8 Orchard Dr., Mt. Vernon, Ohio. **Underwriter**—Hardy & Hardy, New York, N. Y. **Offering**—Expected in about two weeks.

Hycon Manufacturing Co.
Aug. 28 filed 126,316 shares of common stock, which were issued to Avco Corp. on Dec. 8, 1958, at $2.375 per shares, and which will now be publicly offered by Avco. **Price**—To be related to the prices prevailing in the over-the-counter market at the time, or times, the stock is sold. **Office**—1030 South Arroyo Parkway, Pasadena, Calif. **Underwriters**—The offering will be made through registered brokers and dealers who are NASD members.

● **Hydramatics, Inc. (12/8-9)**
Oct. 20 filed 105,000 shares of common stock (par $1), of which 80,000 shares are to be offered for the account of company, and 25,000 shares are to be offered for the accounts of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds**—For working capital. **Office**—Livingston, N. J. **Underwriters**—Paine, Webber, Jackson & Curtis, and Tucker, Anthony & R. L. Day, both of New York.

I C Inc.
June 29 filed 600,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

Industrial Leasing Corp.
June 1 (letter of notification) $200,000 subordinated convertible 6% debentures ($1,000 denomination) and $50,000 subordinated convertible 6% debentures ($500 denomination). **Price**—100% of principal amount. **Proceeds**—For working capital. **Office**—522 S. W. 5th Avenue, Portland 4, Ore. Clearance date was June 9.

Inland Western Loan & Finance Corp.
Sept. 24 filed $1,000,000 of 6% capital debentures. **Price**—To be supplied by amendment. **Proceeds**—To discharge loans from banks and from the Commercial Life Insurance Co.; to furnish operating capital for subsidiaries; and to establish new subsidiaries or branches of already existing ones. **Office**—10202 North 19th Ave., Phoenix, Ariz. **Underwriter**—The underwriters, if any, will be named by amendment.

Integrand Corp.
Oct. 13 filed 85,000 shares of common stock (par 5c). **Price**—$4 per share. **Proceeds** — For general corporate purposes, including the redemption of outstanding preferred stock and new plant equipment. **Office**—Westbury, L. I., N. Y. **Underwriter**—DiRoma, Alexik & Co., Springfield, Mass.

Intercontinental Motels, Ltd.
Oct. 7 filed 133,000 shares of common stock (par 10c). **Price**—$3 per share. **Proceeds**—To be added to working capital in order to enable company to exercise options on motels and/or parcels of land. **Office**—Martinsville, Va. **Underwriter** — G. Everett Parks & Co., Inc., 52 Broadway, New York City. **Offering** — Expected momentarily.

International Bank, Washington, D. C.
Dec. 29 filed $5,000,000 of notes (series B, $500,000, two-year, 3% per unit; series C, $1,000,000, four-year 4% per unit; and series D, $3,500,000, 6-year, 5% per unit). **Price**—100% of principal amount. **Proceeds** — For working capital. **Underwriter**—Johnston, Lemon & Co., Washington, D. C. **Offering**—Indefinitely postponed.

★ **International Utilities Corp. (12/4)**
Nov. 4 filed 350,000 shares of $2 convertible preferred stock (cumulative—par value $25 per share) (convertible into common stock initially on a share-for-share basis). Of such 350,000 shares, 275,000 shares will be offered for sale by United States underwriters. The remaining 75,000 shares will be offered simultaneously for sale by Canadian underwriters. **Price**—To be supplied by amendment. **Proceeds**—To be used to retire presently outstanding bank loans incurred in connection with the construction and expansion program of International and its subsidiaries. **Underwriter**—Butcher & Sherrerd, Philadelphia, Pa. (U. S. underwriter).

Investment Trust for the Federal Bar Bldg.
Aug. 14 filed 500 Beneficial Trust Certificates in the Trust. **Price**—$2,600 per certificate. **Proceeds**—To supply the cash necessary to purchase the land at 1809-15 H St., N. W., Washington, D. C., and construct an office building thereon. **Office**—Washington, D. C. **Under-**

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writers—Hodgdon & Co. and Investors Service, Inc., both of Washington, D. C., and Swesnick & Blum Securities Corp.

Irando Oil & Exploration, Ltd.
April 24 filed 225,000 shares of common stock. **Price**—90 cents per share. **Proceeds**—To defray the costs of exploration and development of properties and for the acquisition of other properties; also for other corporate purposes. **Office**—1950 Broad St., Regina, Sask., Can. **Underwriter** — Laird & Rumball, Regina, Sask., Can.

★ **Island Industries, Inc.**
Nov. 23 (letter of notification) $200,000 of 10-year 10% registered debentures. **Price**—$100 per debentures. **Proceeds**—For general corporate purposes. **Office** — 30 E. Sunrise Highway, Lindenhurst, N. Y. **Underwriter** — Heft, Kahn & Infante, Inc., Hempstead, L. I., N. Y.

Israel Development Corp.
Sept. 22 filed 200,000 shares of common stock (par $25). **Price**—$27.50 per share, payable in cash or State of Israel Independence Issue or Development Issue bonds. **Proceeds**—For general corporate purposes. **Office**—17 E. 71st Street, New York City. **Underwriter**—None.

Jocelyn-Varn 1960 Oil Associates
Sept. 28 filed 100 units of oil and gas exploration agreements. **Price**—$20,000 per unit. **Proceeds**—For locating, developing, and administering oil and gas producing properties. **Office**—310 KFH Building, Wichita, Kan. **Underwriter**—None.

● **Jurgensen's Co. (12/7)**
Nov. 16 (letter of notification) 65,000 shares of common stock (par $1). **Price**—$4.50 per share. **Proceeds**—To retire loans and unsecured installment notes. **Office**—842 E. California Street, Pasadena, Calif. **Underwriters** — Evans MacCormack & Co., Bingham, Walter & Hurry, Inc. and Wagenseller & Durst, Inc., Los Angeles, Calif., and Jones, Cosgrove & Miller, Pasadena, Calif.

★ **Kansas City Power & Light Co.**
Nov. 30 filed $20,000,000 of first mortgage bonds. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey Stuart & Co. Inc.; The First Boston Corp. and Blyth & Co., Inc. (jointly); Equitable Securities Corp.; White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co., Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers and Bear Stearns & Co. (jointly). **Bids**—Expected to be received on Jan. 6.

● **Kansas Gas & Electric Co. (1/19)**
Nov. 20 filed 200,000 shares of common stock (no par). **Proceeds**—For the construction of electric facilities and for other corporate purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co. and White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co., Glore, Forgan & Co. and Goldman Sachs & Co. (jointly). **Bids**—Expected to be received up to 11 a.m. (EST) on Jan. 19 at Room 2033, Two Rector Street, New York 6, N. Y.

Kennesaw Life & Accident Insurance Co.
Nov. 12 filed 331,836 shares of common stock, to be offered to the holders of the outstanding common stock on the basis of one new share for each four shares held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—165 Luckie Street, Atlanta, Ga. **Underwriter** — The Robinson - Humphrey Co., Inc., Atlanta.

Kentucky Central Life & Accident Insurance Co.
Aug. 28 filed 81,717 shares of common stock, of which Kentucky Finance Co., Inc. will offer its stockholders 51,000 shares. **Price**—Of 30,717 shares, $115 each; and of 51,000 shares, $116 each. **Proceeds**—To selling stockholders. **Office**—Anchorage, Ky. **Underwriter**—None.

Kilroy (W. S.) 1960 Co.
June 8 filed $3,500,000 of Participating Interests under Participant Agreements in the company's 1960 Oil and Gas Exploration Program, to be offered in amounts of $25,000 or more. **Proceeds**—Acquisition of undeveloped oil and gas properties. **Office**—2306 Bank of the Southwest Bldg., Houston Texas. **Underwriter**—None.

● **King's Grant Inn, Inc. (12/14-18)**
Nov. 9 (letter of notification) 30,000 shares of common stock (par $1). **Price**—$10 per share. **Proceeds**—To pay off loans to banks, constructions, purchase of a farm inn and working capital. **Address**—R. F. D. No. 3, Laconia, N. H. **Underwriter**—Osborne, Clark & Van Buren, Inc., New York, N. Y.

Kittanning Telephone Co., Kittanning, Pa.
Aug. 24 filed 14,000 shares of common stock, being offered by subscription to holders of outstanding common stock on the basis of approximately 0.212 new shares for each share held on Nov. 14, 1959; rights to expire on Dec. 15, 1959. **Price**—$25 per share. **Proceeds**—In part to repay a bank loan in the amount of $450,000 representing funds acquired for general modernization, improvement, and expansion. **Underwriter**—None.

Lake Aircraft Corp., Sanford, Me.
Nov. 20 filed 135,000 shares of class A common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To repay bank indebtedness, for remaining payment on purchase by the company of certain assets of Colonial Aircraft Corp., and for other corporate purposes. **Underwriter**—Mann & Gould, Salem, Mass.

★ **Lancer Industries, Inc.**
Nov. 27 filed 200,000 shares of $.70 convertible preferred stock (par $10). **Price**—$10 per share. **Proceeds**—For general corporate purposes. **Office**—22 Jericho Turnpike, Mineola, L. I., N. Y. **Underwriter**—Charles Plohn & Co., New York City.

Land Bank of France (12/9)
Nov. 18 filed $50,000,000 of guaranteed external loan bonds due Dec. 15, 1979. The bonds are to be unconditionally guaranteed as to payment of principal and interest by the Republic of France. The bonds will not be redeemable prior to Dec. 15, 1969 except by operation of the sinking fund, which will begin in 1964 and is designed to retire the entire issue by maturity. **Price**—To be supplied by amendment. **Proceeds**—The net dollar proceeds will be added to the foreign exchange reserves of the Republic of France. Application will be made to list these bonds on the New York Exchange. **Underwriters**—Morgan Stanley & Co. and Lazard Freres & Co., both of New York

★ **Lawn Electronics Co., Inc.**
Nov. 25 (letter of notification) 133,000 shares of common stock (par one cent). **Price**—$1.50 per share. **Proceeds**—For general corporate purposes. **Office** — Woodward Road, Englishtown, N. J. **Underwriter**—Prudential Securities Corp., Staten Island, N. Y.

★ **Laymen Life Insurance Co.**
Nov. 30 filed 175,000 shares of common stock, of which 35,000 shares are to be offered by the company and 140,000 shares are to be offered by the Laymen of the Church of God, with which the company is merging. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—1047 Broadway, Anderson, Indiana. **Underwriter**—To be supplied by amendment.

Life Insurance Co. of Florida
Sept. 28 filed 203,476 shares of common stock (par $1). **Price**—$4.50 per share. **Proceeds**—For expansion. **Office**—2546 S. W. 8th St., Miami, Fla. **Underwriter**—Plymouth Bond & Share Corp., Miami.

Liquid Veneer Corp.
Nov. 16 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price** — $2 per share. **Proceeds** — For general corporate purposes. **Office** — 211 Ellicott Street, Buffalo, N. Y. **Underwriter**—B. D. McCormack Securities Corp., New York, N. Y.

M. & S. Oils Ltd.
May 11 filed 390,000 shares of common stock. **Price**—60 cents per share. **Proceeds** — For exploration, development and acquisitions. **Office**—5 Cobbold Block, Saskatoon, Saskatchewan, Canada. **Underwriter** — Cumberland Securities Ltd., Regina, Saskatchewan, Canada.

● **Magna-Bond, Inc.**
Nov. 9 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Business** — Protective coatings. **Office**—1718 S. 6th Street, Camden, N. J. **Underwriter**—American Diversified Securities, Inc., 1028 Connecticut Avenue, N. W., Washington 6, D. C.

Magnuson Properties, Inc.
June 29 filed 500,000 shares of class A common stock (amended on Aug. 24 to 150,000 shares of 6½% cumulative convertible preferred stock, par $10), and 150,000 shares of class A common stock, par $1, with common stock purchase warrants. Each share of class A common stock carries one warrant entitling the registered holder to purchase one share of such common stock at an initial price of $11 per share. **Price**—For preferred, at par; and for class A, $10.10 per share. **Proceeds**—$291,099 is to be expended during the period ending Aug. 31, 1960 for mortgage payments and releases; $465,000 will be paid on notes acquired by members of the Magnuson family in the transfers of subsidiaries and properties to the company; $106,000 will be used to close certain options and purchase contracts covering lands in the Melbourne-Cape Canaveral area; the balance will be added to the general funds of the company and used for general corporate purposes. **Office**—20 S. E. 3rd Ave., Miami, Fla. **Underwriter**—Blair & Co. Inc., New York. **Offering**—Expected this Fall.

Manchester Insurance Management & Investment Corp.
Oct. 22 (letter of notification) 100,000 shares of common stock (par $1) to be offered for subscription to stockholders at the rate of one share for each two shares held, and the remainder to the public. **Price**—To stockholders, $2.70 per share; to the public, $3 per share. **Proceeds**—To pay a note, purchase land and to construct a building. **Office**—9929 Manchester Road, St. Louis 22, Mo. **Underwriter**—None.

● **Mayfair Markets**
Oct. 1 filed 301,177 shares of common stock (par $1), being offered to holders of such stock on the basis of one new share for each five shares held Nov. 13. Rights are scheduled to expire in February. **Price**—$10 per share. **Proceeds**—For general corporate purposes, including expansion and working capital. **Office**—4383 Bandini Blvd., Los Angeles, Calif. **Underwriter**—None.

● **Merry Brothers Brick & Tile Co.**
Oct. 26 filed 160,000 shares of common stock (par $2.50). **Price** — $7.80 per share. **Proceeds** — For new production facilities. **Office**—415 Masonic Bldg., Augusta, Ga. **Underwriter**—Johnson, Lane, Space Corp., Atlanta, Ga. **Offering**—Expected this week.

● **Micronaire Electro Medical Products Corp. (12/14-18)**
Oct. 16 filed 200,000 shares of common stock (par 10 cents) and 50,000 one-year warrants for the purchase of such stock at $3 per share, to be offered in units of 100 shares of common stock and 25 warrants. **Price**—$275 per unit. **Proceeds**—For general corporate purposes, including the discharge of indebtedness, the expansion of sales efforts, and for working capital. **Office**—79 Madison Avenue, New York City. **Underwriter**—General Investing Corp., New York.

● **Microwave Electronics Corp.**
July 2 filed $500,000 of 10-year 5% subordinated debentures due July 1, 1969 together with 250,000 shares of common stock (par 10 cents) to be offered in units of $10,000 principal amount of debentures and 5,000 common shares. An additional 138,000 shares may be issued in connection with the company's restricted stock option plan. **Price**—$10,500 per unit. **Proceeds**—To purchase machinery, equipment and other fixed assets, for operating expenses, and the remainder for working capital. **Office**—4061 Transport St., Palo Alto, Calif. **Underwriter**—None. **Financial Adviser**—Hill, Richards & Co., Inc., Los Angeles, Calif. Statement effective Oct. 26. No public offering was made of these securities.

Mid-America Minerals, Inc.
Nov. 16 filed 400,000 shares of class A common stock (par $1). **Price**—$5 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness, acquisition of properties, and additional working capital. **Office**—500 Mid-America Bank Building, Oklahoma City, Okla. **Underwriter**—None.

● **Middlesex Water Co.**
Oct. 30 filed 29,534 shares of common stock, to be offered to holders of the outstanding preferred and/or common stock of record Dec. 2 on the basis of one new share for each three preferred or common shares then held, with a 14-day standby. **Price** — $16.75 per share. **Proceeds** — To repay bank loans incurred for construction purposes, with the balance to be used for general corporate purposes. **Office** — 52 Main St., Woodbridge, N. J. **Underwriter**—Kidder, Peabody & Co., Inc., New York.

Midwestern Financial Corp. (12/14-18)
Nov. 9 filed 250,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To pay the $1,360,000 balance to Majestic Mortgage Co. due in connection with the issuing company's acquisition of all of the outstanding stock of Majestic Savings & Loan Association, with about $650,000 to be used for capital contributions to its savings and loan associations and for loans to other subsidiaries, $51,000 to be used to repay principal and interest on a short-term bank loan, and $55,000 to be used as additional working capital. **Office**—2015 13th Street, Boulder, Colo. **Underwriters**—W. R. Staats & Co., Los Angeles, Calif., and Boettcher & Co. and Bosworth, Sullivan & Co., Inc., both of Denver, Colo.

Minitran Corp. (12/17)
Oct. 30 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 5 Oliver Street, Newark 2, N. J. **Business**—Makes transformers. **Underwriter**—Pleasant Securities Co., 392 Broad Street, Newark, N. J.

★ **Minnesota Tree Farms, Inc.**
Nov. 23 (letter of notification) 591 undivided fractional fee interests, each interest equivalent to one acre of Minnesota real estate. **Price**—$495 per interest. **Proceeds**—For working capital. **Office**—4½ S. Broadway, Fargo, N. D. **Underwriter**—None.

Missouri Power & Light Co. (12/9)
Oct. 29 filed $4,000,000 of first mortgage bonds, due 1989. **Proceeds**—To be added to general funds, to be used to retire certain short-term bank loans incurred in connection with the company's construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; White, Weld & Co. **Bids**—Expected to be received up to 11 a.m. (EST) on Dec. 9.

● **Mohawk Airlines Inc.**
Nov. 9 filed $3,500,000 of 6% convertible subordinated debentures, due 1974, $1,917,500 of which are to be offered in exchange for a like amount of the company's outstanding 5½% convertible subordinated debentures, due 1966. The remainder, plus any not taken in the exchange offer, are to be publicly offered. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes, including debenture redemption, airplane equipment, and working capital. **Office**—Utica, N. Y. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo. **Offering**—Expected middle of January.

Mohawk Business Machines Corp. (12/7-11)
Oct. 29 filed $600,000 of 6% 10-year subordinated convertible debentures, due 1969, and 30,000 outstanding shares of common stock (par 40 cents). **Price**—For the debentures, 100% of principal amount; for the common stock, at a price to be related to the market. **Proceeds**—To liquidate indebtedness in the amount of $150,000, with the remainder to purchase new equipment and machinery and be used as working capital. **Office** — 944 Halsey Street, Brooklyn, N. Y. **Underwriter**—Myron A. Lomasney & Co., New York.

Montgomery Mortgage Investment Corp.
Oct. 16 filed $3,000,000 of second mortgage notes and accompanying repurchase agreements, to be offered in $3,000 units. **Price**—From $2,000 to $4,000 per unit. **Proceeds**—To purchase other second trust notes and to maintain a reserve for repurchase of notes under its repurchase agreements. **Office**—11236 Georgia Avenue, Silver Spring, Md. **Underwriter**—There is no underwriter as such, but Adrienne Investment Corp., an affiliate of the issuing company, will act as sales agent, for which it will receive a selling commission of 7%.

Mortgage Guaranty Insurance Corp.
Sept. 23 filed 40,000 shares of common stock (par $10) in a joint registration with Guaranty Insurance Agency, Inc., which filed 10,000 shares of its own common stock (par $5). **Price**—$115 per unit of four shares of Mortgage common and one share of Guaranty common. **Proceeds**—Mortgage will use its proceeds fo rexpansion; Guaranty will use its proceeds for additional working capital. **Office**—(of both firms) 606 West Wisconsin Ave., Milwaukee, Wis.

• Munston Electronic Manufacturing Corp.
Nov. 9 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Proceeds**—For general corporate purposes. **Office**—Beech Street, Islip, N. Y. **Underwriter**—Heft, Kahn & Infante, Inc., Hempstead, N. Y.

Mutual Credit Corp.
Oct. 6 (letter of notification) $300,000 of 6½% convertible subordinated debentures, series A, due Oct. 1, 1969. Debentures are convertible at any time through Oct. 1, 1968 into class A non-voting common stock (par $5) at the rate of 100 shares of such stock for each $500 of debentures converted. **Price**—At face amount. **Proceeds**—For the general funds of the company. **Office**—c/o Raymond F. Wentworth, 6 Milk St., Dover, N. H. **Underwriter**—Eastern Investment Corp., Manchester, N. H.

Narda Microwave Corp.
June 16 filed 50,000 shares of common stock (par 10 cents) and 50,000 warrants to be offered in units, consisting of one share of common stock with attached warrant entitling the holder to purchase one additional share. The statement also includes an additional 10,000 shares of common stock reserved for issuance to key employees pursuant to options. **Price**—To be supplied by amendment. **Proceeds** — To be used to retire bank loans. **Underwriter**—Milton D. Blauner & Co., Inc., New York. Indefinitely postponed.

National Bellas Hess, Inc.
Oct. 27 filed $5,318,800 of convertible subordinated debentures, due Oct. 1, 1984, to be offered to common stockholders on the basis of $100 of debentures for each 50 shares held on or about Nov. 20, 1959; rights to expire on or about Dec. 8. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the possible increase of investment in the issuing company's life insurance subsidiary. **Office**—14th Avenue and Swift Street, North Kansas City, Mo. **Underwriter**—Stern Bros. & Co., Kansas City, Mo.

National Citrus Corp.
April 20 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—For new equipment, inventory and working capital. **Address**—P. O. Box 1658, Lakeland, Fla. **Underwriter**—R. F. Campeau Co., Inc., Detroit, Mich. Statement to be amended.

★ National Homes Corp.
Nov. 25 filed warrants for the purchase of 60,100 shares of class B common stock (par $.50). **Price**—To be supplied by amendment. **Office**—Earl Avenue & Wallace St., Lafayette, Ind. **Underwriter**—White, Weld & Co., New York City.

National Industrial Minerals Ltd.
Aug. 4 filed 150,000 shares of common stock (no par). **Price** — $1 per share. **Proceeds** — To retire indebtedness for construction of plant and for other liabilities, and the remainder will be used for operating capital. **Office** — Regina, Saskatchewan, Canada. **Underwriter**—Laird & Rumball Ltd., Regina, Saskatchewan, Canada.

• National Standard Electronics, Inc.
Sept. 25 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Underwriter**—Palombi Securities Co., Inc., New York City. **Offering**—Expected any day. Statement effective as of Nov. 30.

• National Video Corp. (12/7-11)
Oct. 19 filed 283,307 shares of class A stock (par $1). Each certificate for class A shares will bear an endorsement evidencing an interest in a Trust which will hold all of the outstanding common stock of Rico Electronics, Inc., a Puerto Rican manufacturing company affiliated with National Video Corp. **Price** — To Be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Chicago, Ill. **Underwriter** — Bache & Co., New York.

New England Power Co. (12/9)
Nov. 2 filed 100,000 shares of cumulative preferred stock (par $100). **Proceeds**—To reduce indebtedness. **Underwriter**—To be determined by competitive bidding. Probable bidders: Lehman Brothers; Equitable Securities Corp.; Kidder, Peabody & Co.; Lee Higginson Corp., and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received up to 11 a.m. (EST) on Dec. 9.

New York State Electric & Gas Corp.
Oct. 21 filed 466,961 shares of common stock, (no par), being offered to holders of outstanding common stock of record Nov. 20 on the basis of one new share for each 15 shares then held. The rights are scheduled to expire Dec. 7. **Price** — $25.50 per share. **Proceeds** — To discharge short-term obligations incurred for construction, with the balance to be applied to expenditures for construction. **Office**—Ithaca, N. Y. **Underwriters**—The First Boston Corp., Lehman Brothers, Wertheim & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc.

★ North Atlantic Industries, Inc.
Nov. 30 filed 60,625 shares of common stock, of which 25,000 shares are to be offered for the account of the issuing company and 35,625 shares are to be offered for the accounts of the present holders thereof. **Price**—For the company's shares, $4 per share; for the shares of the selling stockholders, at the current market at the time of sale. **Proceeds**—To repay loans, for working capital, for new product research and development, and for accrued officers' salaries. **Office**—603 Main St., Westbury, L. I., N. Y. **Underwriter**—None.

North Carolina Telephone Co.
Sept. 4 filed 576,405 shares of common capital stock, to be offered for subscription by holders of outstanding stock in the ratio of two new shares for each five shares held. **Price**—$2 per share. **Proceeds**—To reduce indebtedness with the balance, if any, to be used as working capital. **Office**—Matthews, N. C. **Underwriter**—One or more security dealers will be offered any shares not subscribed for at $2 per share.

Northeastern Gas, Inc.
Nov. 9 (letter of notification) 7,863 shares of common stock. **Price** — At par ($25 per share). **Proceeds** — To purchase material and for working capital. **Office**—2018 S. Oliver, Wichita, Kan. **Underwriter**—None.

Nova-Tech, Inc.
Nov. 4 (letter of notification) 120,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—For development, purchase, parts for production, and additional working capital. **Office**—1721 Sepulveda Blvd., Manhattan Beach, Calif. **Underwriter**—Holton, Henderson & Co., Los Angeles, Calif.

★ Nu-Era Corp.
Nov. 30 filed 275,000 shares of common stock, of which 200,000 are to be publicly offered. **Price**—$3.75 per share. **Proceeds**—To reduce indebtedness and increase inventories of gears and mufflers. **Office** — 342 South St., Rochester, Michigan. **Underwriter**—Mortimer B. Burnside & Co., Inc., on an "all or nothing best efforts" basis. The underwriter will receive $15,000 for expenses, a $.75 per share selling commission on the 200,000 shares comprising the public offering, and the privilege of purchasing 37,500 shares of the common stock at $.10 per share. The 37,500 shares thus far unaccounted for are to be sold to John L. Appelbaum at $.10 per share in consideration of certain services rendered.

Occidental Petroleum Corp.
Oct. 29 filed 615,854 shares of common stock (par 20 cents), 307,927 shares of which are to be offered for subscription by holders of outstanding common stock at the rate of one new share for each 10 shares held. The remaining shares are to be offered to a group of individuals, not as yet named, who have agreed to purchase not less than 307,925 shares, and will also be offered shares not bought by the holders of the outstanding common. **Price**—To be supplied by amendment. **Proceeds**—For drilling, exploration, development, and to purchase an interest in Parker Petroleum Co. **Office**—8255 Beverly Boulevard, Los Angeles, Calif. **Underwriter**—None.

Oil, Gas & Minerals, Inc.
April 2 filed 260,000 shares of common stock (par 35 cents. **Price**—$2 per share. **Proceeds**—To retire bank loans and for investment purposes. **Office**—513 International Trade Mart, New Orleans, La. **Underwriter** — Assets Investment Co., Inc., New Orleans, La. The SEC "stop order" hearing has been postponed from Nov. 23 to Dec. 23.

Ovitron Corp., Detroit, Mich.
Oct. 27 filed 150,000 shares of common stock (par one cent). **Price**—$6 per share. **Proceeds**—For research and working capital. **Underwriter**—Sutro Bros. & Co., New York.

• Oxford Chemical Corp.
Oct. 22 filed 227,500 shares of class A common stock (par 25 cents), of which 35,000 shares are to be offered first to employees. Any shares not so purchased plus an additional 72,500 shares are to be publicly offered. The remaining 120,000 shares, representing outstanding stock, are also to be publicly offered. **Price**—To employees, $4.55 per share; to the public, $5 per share. **Proceeds**—For general funds. **Office** — 166 Central Ave., S. W., Atlanta, Ga. **Underwriter**—Johnson, Lane, Space Corp., Atlanta, Ga.; Francis I. duPont & Co., New York; and The Robinson-Humphrey Co., Inc., Atlanta, Ga. **Offering**—Expected this week.

Pacific Uranium Mines Co.
Oct. 20 filed $3,000,000 of 6% secured notes, 675,000 common stock purchase warrants, and 675,000 shares of common stock. $1,600,000 of the notes and 360,000 warrants are to be offered to holders of $1,600,000 of outstanding notes. The remaining $1,400,000 of new notes and 315,000 warrants are to be offered to American Securities Corp., acting on behalf of their clients, for a total sum of $1,344,000 for the notes and $56,000 for the warrants.

Palomar Mortgage Co. (12/7-11)
Nov. 13 filed $750,000 of 15-year 7% subordinated sinking fund debentures, due 1974, with common stock warrants attached, and 80,000 shares of common stock ($1 par), to be offered in units of $1,000 principal amount of debentures with a warrant entitling the holder to buy 100 shares of common before 11/30/62. **Prices**—To be supplied by amendment. **Proceeds** — To be loaned to home builders and individual borrowers in connection with real estate. **Office**—4026 30th Street, San Diego, Calif. **Underwriter**—J. A. Hogle & Co., Salt Lake City, Utah.

Pathe News, Inc.
Sept. 17 filed 400,000 shares of common stock (par 10 cents) with warrants to purchase an additional 100,000 common shares at $3.25 per share. **Price** — $3.75 per share, with warrants. **Proceeds**—For general corporate purposes, including the addition of working capital, the reduction of indebtedness, and the provision of the $173,000 cash required upon the exercise of an option to purchase the building at 245-249 W. 55th St., New York. **Office**—245 W. 55th Street, New York. **Underwriter**—Hilton Securities, Inc., formerly Chauncey, Walden, Harris & Freed, Inc., New York. **Offering**—Expected in about 30 days.

Perrine Industries, Inc. (12/15)
Oct. 26 filed $1,500,000 of 20-year convertible subordinated debentures due 1979, to be offered in units of $500 and $1,000. **Price**—At par. **Proceeds**—To be used to establish two new plants in the midwest and southeast industrial areas; to spend $350,000 to equip these new plants; $150,000 to further equip and improve the company's Brooklyn plant; and $600,000 will be used to retire corporate indebtedness. **Underwriter**—S. D. Fuller & Co., New York.

Petroleum Projects
Oct. 13 filed $1,500,000 of participations in oil and gas exploratory fund. **Price** — The minimum participation will cost $10,000. **Office**—Madison, N. J. **Underwriter**—Mineral Projects Co., Ltd.

• Piedmont Natural Gas Co., Inc.
Oct. 22 filed 36,237 shares of cumulative convertible preferred stock (without par value) being offered to common stockholders of record Nov. 20, 1959, on the basis of one new share of preferred stock for each 35 of common stock then held; rights to expire on Dec. 7. **Price** $100 per share (flat). **Proceeds**—For repayment of notes incurred for construction program. **Underwriter**—White, Weld & Co., New York.

Pilgrim National Life Insurance Co. of America
Sept. 17 filed 100,000 shares of common stock (par $1), of which 55,000 shares are to be offered first to stockholders of record Aug. 31, 1959, and 45,000 shares (minimum) are to be offered to the public, which will also be offered any shares unsubscribed for by said stockholders. **Price**—$5 per share. **Proceeds** — For general corporate purposes, possibly including the enabling of the issuing company to make application for licenses to conduct its insurance business in States other than Illinois, the sole State in which it is presently licensed. **Office**—222 W. Adams Street, Chicago, Ill. **Underwriter**—None. Statement effective Nov.4.

★ Preview Publishing Corp.
Nov. 20 (letter of notification) 1,183 shares of capital stock (no par) to be offered to members of American Public Relations Association. **Price**—$10 per share. **Proceeds** — For working capital. **Office**—100 W. Tenth St., Wilmington, Del. **Underwriter**—None.

Producers Fire & Casualty Co., Mesa, Ariz.
March 31 filed 400,000 shares of common stock to be offered for subscription by holders of stock purchase rights acquired in connection with life insurance policies issued by Dependable Life Insurance Co. and to certain agents and brokers of Producers Fire & Casualty Co. **Price**—$5 per share. **Proceeds**—For working capital. **Underwriter**—None.

Prudential Commercial Corp.
Oct. 21 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—City of Dover, County of Kent, Del. **Underwriter**—All State Securities, Inc., 80 Wall Street, New York, N. Y.

★ Public Service Electric & Gas Co. (12/15)
Nov. 25 filed 800,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and will be used for general corporate purposes, including the payment before maturity of unsecured short-term bank loans to be presently incurred in connection with the company's current construction program. **Office**—80 Park Place, Newark 1, N. J. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

★ Putnam Growth Fund, Boston, Mass.
Nov. 25 filed (by amendment) 500,000 additional shares of beneficial interest (par $1) in the Fund. **Price**—At market. **Proceeds**—For investment.

Rad-O-Lite, Inc. (12/7-11)
July 8 filed 300,000 shares of common stock (par 25¢). **Price** — $1.50 per share. **Proceeds** — For general corporate purposes. **Office**—1202 Myrtle St., Erie, Pa. **Underwriter**—John G. Cravin & Co., New York.

Realty Investment Associates, Inc.
Oct. 30 (letter of notification) 3,000 shares of capital stock with a minimum subscription of 50 shares and a maximum of 500 shares. **Price**—At par ($100 per share). **Proceeds**—For working capital. **Office**—1104 N. Main St., Randolph, Mass. **Underwriter**—None.

Red Fish Boat Co. (12/8)
Oct. 22 (letter of notification) 400,000 shares of class A common stock (par 10 cents). **Price**—75 cents per share. **Proceeds**—To pay mortgages, accounts payable, purchase raw materials, expand production facilities and expansion of sales program. **Business**—Manufactures fiberglass boats. **Address**—P. O. Box 610 Clarksville, Texas. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y.

Renewal Guaranty Corp.
Oct. 28 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For working caiptal. **Office** — First National Bank Bldg., Suite 2323, Denver 2, Colo. **Underwriter**—Columbine Securities Corp., Denver, Colo.

Reserve Insurance Co., Chicago, Ill.
Oct. 20 filed 110,837 shares of capital stock, of which 62,676 are to be sold for the company's account and 48,161 shares are to be sold for the account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company to enable it to finance a larger volume of underwriting and to expand its area of operations. **Underwriter**—A. G. Becker & Co. Inc., Chicago, Ill. This offering will not be made in New York State. **Offering**—Postponed indefinitely.

Revere Fund, Inc., Philadelphia, Pa.
Nov. 10 filed 250,000 shares of capital stock (par $1). **Price** — $13.50 per share. **Proceeds** — For investment. **Underwriter**—Revere Management Co., Inc. **Investment Advisor**—Revere Advisory, Inc.

Roulette Records, Inc.
Aug. 27 filed 330,000 shares of common stock (one cent), of which 300,000 shares are to be publicly offered. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes, including moving to new quarters and installing

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executive offices and sound studio facilities therein, acquiring technical equipment and machinery, and adding to working capital. **Office** — 659 10th Avenue, New York. **Underwriter**—Hilton Securities, Inc., 580 Fifth Avenue, New York. **Offering**—Expected in three or four weeks.

★ Russeks Fifth Avenue, Inc.
Nov. 30 filed 480,100 shares of common stock (par $.50), which may be offered for sale pursuant to the merger, scheduled for Dec. 22, of Russeks and Oregon Veneer Co., by the several present holders of Oregon stock. **Office**—909 Diversey Parkway, Chicago, Ill.

St. Regis Paper Co.
Nov. 12 filed 267,325 shares of common stock (par $5) to be offered in exchange for the outstanding common stock of Schmidt & Ault Paper Co. on the basis of 4¼ St. Regis shares for each Schmidt & Ault share. **Office**—150 E. 42nd Street, New York City.

★ Save-Mor Drugs, Inc.
Nov. 15 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For working capital. **Office**—22 M St., N. E., Washington, D. C. **Underwriter**—E. A. Burka, Inc., Washington, D. C.

Savoy Industries, Inc.
Oct. 29 (letter of notification) 23,412 shares of common stock (par 25 cents), of which 12,300 shares will be offered to five former stockholders in exchange for outstanding capital stock of Rex Bassett, Inc.; 11,112 shares will be issued upon conversion, if any, of convertible debentures. **Price**—$9 per share. **Office**—416 Enterprise Bldg., Tulsa, Okla. **Underwriter**—None.

• Scaico Controls, Inc.
Sept. 23 (leter of notification) 240,000 shares of common stock (par 10 cents). **Price**—$1.25 per share. **Proceeds**—For research and development; increaese of plant facilities; sales and training program; sales promotion and for general corporate purposes. **Office**—P. O. Box 41, 450 Cooper St., Delanco, N. J. **Underwriter**—Albion Securities Co., Inc., 11 Broadway, New York 4, N. Y. **Offering**—Expected any day.

Scott-Mattson Farms, Inc. (12/8-9)
Oct. 27 filed 67,500 shares of outstanding common stock. (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Professional Bldg., Ft. Pierce, Fla. **Underwriter**—R. S. Dickson & Co., Charlotte, N. C.

★ Scott Paper Co.
Nov. 27 filed 41,322 shares of common stock (no par) to be offered to employees under the company's Employee Stock Purchase Plan for 1960. **Office**—Front & Market Streets, Chester, Pa.

Shield Chemical Ltd.
Sept. 8 (letter of notification) 95,000 shares of capital stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—To purchase and install manufacturing equipment; control and test equipment; advertising and for working capital. **Office**—17 Jutland Road, Toronto, Canada. **Underwriter**—Peters, Writer & Christensen, Inc., Denver, Colorado.

★ Simplicity Manufacturing Co.
Nov. 30 filed 397,192 shares of class A common stock, of which 100,000 shares are to be offered by the issuing company and 297,192 shares are to be offered by the present holders thereof. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—336 South Spring St., Port Washington, Wisconsin. **Underwriter**—A. C. Allyn & Co., Inc., Chicago, Ill.

Thomas Industries, Inc.
Nov. 19 filed 13,250 shares of cumulative preferred stock, $5 series, $100 par value, to be issued to the shareholders of Des Plaines Manufacturing Co., formerly known as Benjamin Electric Manufacturing Co. Thomas has acquired the assets and assumed certain liabilities of Benjamin Electric, and upon its dissolution will issue the preferred stock now registered. **Office**—410 So. 3rd St., Louisville, Ky. **Underwriter**—None.

Timeplan Finance Corp.
Oct. 8 (letter of notification) 28,570 shares of cumulative preferred stock (par $5) and 14,285 shares of common stock (par 10 cents) to be offered in units of one share of preferred and one-half share of common. **Price**—$10.50 per unit. **Proceeds**—For working capital. **Office**—111 E. Main St., Morristown, Tenn. **Underwriter**—Texas National Corp., San Antonio, Tex.

Tobin Craft, Inc. (12/16)
Nov. 17 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Address**—Bayville, Ocean County, N. J. **Underwriter**—General Investing Corp., New York, N. Y.

Sottile, Inc. (Formerly South Dade Farms, Inc.)
July 29 filed 2,000,000 shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for the account of the company, and 457,000 shares, representing outstanding stock, to be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To retire 70% of the common stock outstanding at the date of the stock offering; to invest in the capital stocks of six of the company's seven bank subsidiaries; to repay a bank loan of $6,400,000; to add to working capital; to retire certain long-term indebtedness; and to develop citrus groves. **Office**—250 South East First Street, Miami, Fla. **Underwriter**—Bear, Stearns & Co., New York. **Offering**—Indefinite.

★ South Western Minerals Corp.
Nov. 25 (letter of notification) 600,000 shares of common stock. **Price**—At par (25 cents per share). **Proceeds**—For mining expenses. **Office**—536 Marquette St., La Salle, Ill. **Underwriter**—None.

Southern Frontier Finance Co.
Aug. 11 filed 1,300,000 shares of common stock (par 50 cents). **Price**—$1 per share. **Proceeds**—For working capital and to be used for the purchase of receivables covering the installment financing of consumer products or other types of financing in which the company may engage. **Office** — 615 Hillsboro St., Raleigh, N. C. **Underwriter**—None, but the company officials, who are making the offering, may pay a 10% commission to dealers in connection with the sale of their shares. Statement effective Oct. 15.

• Southern Growth Industries, Inc.
Nov. 12 filed 963,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For investment. **Office** — Greenville, S. C. **Underwriter** — Capital Securities Corp., 121 So. Main Street, Greenville, So. Car., on a "best efforts" basis, with a commission of 50 cents per share.

★ Southland Oil Ventures, Inc.
Nov. 27 filed $2,000,000 of participations in its 1960 Oil and Gas Exploration Program. **Price**—$5,000 per unit, with a minimum participation of $10,000. **Proceeds**—For exploration. **Office** — 2802 Lexington, Houston, Texas. **Underwriter**—The participations will be offered by officers of the company and by certain investment firms.

Southwestern Investment Co.
Nov. 2 filed 225,000 shares of common stock, of which 15,000 shares are to be offered to employees of the issuing company and its subsidiaries, and 210,000 shares represent outstanding stock held by previous stockholders of Southwest Acceptance Co., who may offer their shares. **Price**—At market. Office—Amarillo, Texas. **Underwriter**—None.

★ Sta-Brite Fluorescent Manufacturing Co.
Nov. 27 filed 140,000 shares of common stock (par $.10). **Price**—$5 per share. **Proceeds**—For plant improvements, opening new muffler and brake shops, advertising, new product engineering and promotion, and working capital. **Office**—3550 N. W. 49th St., Miami, Fla. **Underwriter**—Charles Plohn & Co., New York City.

• Standard Beryllium Corp.
Sept. 3 (letter of notification) 200,000 shares of common stock (par one cent). **Price**—$1.50 per share. **Proceeds**—For working capital and general corporate purposes. **Office**—150 E. 43rd St., New York 17, N. Y. **Underwriter**—Haas Raymond & Co., 120 Liberty Street, New York.

State Industries
Oct. 5 filed $500,000 of 6% convertible subordinated debentures, due Oct. 1, 1974. **Price**—At 100% of principal amount. **Proceeds**—For general corporate purposes, including the purchase and installation of a modern paint plant, and the purchase and installation of new tube mill equipment. **Office**—4019 Medford St., Los Angeles, Calif. **Underwriter**—John Keenan & Co., Inc., Los Angeles.

Stelling Development Corp.
June 8 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For mortgages, land, paving roads, loans payable, advertising, etc. **Office**—305 Morgan St., Tampa 2, Fla. **Underwriter**—Stanford Corp., Washington, D. C.

• Superior Manufacturing & Instrument Corp. (12/9)
Oct. 12 (letter of notification) 80,000 shares of common stock (par 50 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—154-01 Barclay Ave., Flushing 55, N. Y. **Business**—Electronics. **Underwriter**—D. A. Lomasney & Co., New York, N. Y.

Supermarket Service, Inc.
Oct. 14 (letter of notification) 9,000 shares of common stock (no par). **Price**—$11.50 per share. **Proceeds**—For working capital. **Office** — 103 E. Main St., Plainville, Conn. **Underwriter** — E. T. Andrews & Co., Hartford, Conn.

Talcott (James), Inc. (12/7-12)
Nov. 12 filed $15,000,000 of senior notes due 1979 and $7,500,000 of capital notes due 1979 and convertible into common stock on or before Dec. 1, 1969. **Price**—To be supplied by amendment. **Proceeds**—For additional working capital. **Underwriters** — F. Eberstadt & Co. and White, Weld & Co., both of New York.

Telechrome Manufacturing Corp.
Nov. 16 filed $750,000 of 6% convertible subordinated debentures, due 1969. **Price** — At 100% of principal amount. **Proceeds**—For general corporate purposes including expansion and debt reduction. **Office**—Amityville, L. I., N. Y. **Underwriters**—Amos Treat & Co., Inc., and Truman, Wasserman & Co., Inc., both of New York City. **Offering**—Expected in January, 1960.

★ Texas Instruments Inc.
Nov. 27 filed 150,000 shares of common stock (par $1), to be issued under its Stock Option Plan for officers and key employees of the company and its subsidiaries. **Office**—100 Exchange Park North, Dallas, Texas.

★ Texas National Petroleum Co.
Nov. 27 filed $6,500,000 of 6½% sinking fund subordinated debentures, due Jan. 1, 1975, and warrants for the purchase of 650,000 shares of common stock ($1 par). These securities are to be offered in units of one $500 debenture and a warrant for the purchase of 50 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To discharge bank indebtedness; to pay Utah Southern Oil Co. $19,200,000 for various properties; and for general corporate purposes. **Office**—902 South Coast Bldg., Houston, Texas. **Underwriters** — Dean Witter & Co., San Francisco, Calif., and Cruttenden, Podesta & Co., Chicago, Ill.

(The) T Transportation Plan, Inc.
Oct. 7 filed $600,000 of 7% convertible subordinated debentures, due November, 1969, 60,000 shares of common stock (par one cent) and 30,000 common stock purchase warrants, to be offered in units consisting of $100 of debentures, 10 common shares, and 5 warrants. **Price**—$150 per unit. **Proceeds**—For general corporate purposes, including working capital. **Office**—120 Broadway, New York City. **Underwriter**—Ross, Lyon & Co., Inc., New York.

★ Teleprompter Corp.
Nov. 27 filed 125,000 shares of common stock ($1 par). **Price**—To be supplied by amendment. **Proceeds**—$690,000 to supply the cash portion of proposed acquisitions; $150,000 to reimburse Teleprompter's treasury for the purchase of Antennavision of Silver City, Inc., a New Mexico corporation; $100,000 to prepay in full a bank note due Dec. 31, 1960. **Office**—311 W. 43rd Street, New York City. **Underwriter**—Bear, Stearns & Co., New York City.

Tower's Marts, Inc.
Aug. 28 filed 300,000 shares of class A common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To reduce indebtedness by about $300,000, with the balance to be added to working capital of the company and its subsidiaries. **Office**—210 East Main Street, Rockville, Conn. **Underwriters**—To be supplied by amendment.

Transamerica Corp.
Nov. 9 filed 832,000 shares of capital stock (par $2), to be offered in exchange for the capital stock (par $6.25) of American Surety Co. of N. Y., on the basis of two shares of Transamerica for three shares of Surety. The offer is conditional upon holders of 51% of the Surety stock accepting the exchange. **Office**—Montgomery St. at Columbus Ave., San Francisco, Calif.

Transcon Petroleum & Development Corp., Mangum, Okla.
March 20 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For development of oil properties. **Underwriter**—First Investment Planning Co., Washington, D. C.

Transitron Electronic Corp. (12/8)
Nov. 6 filed 1,000,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—168 Albion St., Wakefield, Mass. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York City.

• Trans-World Financial Co. (12/7-11)
Oct. 26 filed 645,000 shares of common stock (par $1) of which 420,000 shares are to be offered for the account of the issuing company, and 225,000 shares are to be offered for the accounts of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds** — To repay bank loans on its own behalf and that of a subsidiary, and to liquidate the unpaid balance for the common stock of a subsidiary, with the balance to be added to general funds. **Office** — 8001 Beverly Boulevard, Los Angeles, Calif. **Underwriter**—W. R. Staats & Co., Los Angeles, who has acquired for investment purposes in exchange for $20,000 cash the 10,000 shares of the filing not accounted for above.

(1960) Trice Oil and Gas Co.
Oct. 2 filed $5,500,000 of participations in Programs 6001-4. **Price**—$5,000 per unit. **Proceeds**—For acquisition and development of undeveloped oil and gas properties. **Office**—Longview, Texas. **Underwriter**—None.

Trinity Small Business Investment Co.
April 17 filed 235,000 shares of capital stock (par $1). **Price** — $10.75 per share. **Proceeds** — For investment. **Office**—South Main Street, Greenville, S C **Underwriter**—To be supplied by amendment. Statement effective Sept. 25.

Tri-State Petroleum Corp.
Nov. 12 (letter of notification) 199,900 shares of common stock (par five cents). **Price**—$1.50 per share. **Proceeds**—For expenses for drilling and producing oil. **Office**—1403 G. Daniel Baldwin Bldg., Erie, Pa. **Underwriter**—Daggett Securities Inc., Newark, N. J.

Tungsten Mountain Mining Co.
May 21 (letter of notification) $100,000 principal amount of 7% first mortgage convertible bonds, to be offered in denominations of $500 and $1,000 each. **Price**—100% of principal amount. **Proceeds**—For construction, installation of machinery and equipment and working capital. **Office**—511 Securities Building, Seattle 1, Wash. **Underwriter**—H. P. Pratt & Co., Seattle 4, Wash.

Turner Timber Corp. (12/14-18)
Nov. 12 filed $2,000,000 of 6¾% convertible debentures, due 1969, and 250,000 shares of common stock (par one cent), to be offered in units consisting of $1,000 principal amount of debentures and 125 shares of stock. **Price**—$1,001.25 (plus accrued interest from 12/15/59) per unit. **Proceeds**—For the acquisition of coal and timber properties, with any balance to be added to working capital. **Office**—60 E. 42nd Street, New York City. **Underwriter**—Frank P. Hunt & Co., Inc., Rochester, N. Y.

United Control Corp., Seattle, Wash.
Nov. 10 filed $2,500,000 principal amount of convertible subordinated debentures, due Dec. 1, 1974. **Price**—To be supplied by amendment. **Proceeds**—For construction with the balance (which will be at least $500,000) to be used for general corporate purposes. **Underwriter** — Blyth & Co., Inc., New York.

United Employees Insurance Co.
April 16 filed 2,000,000 shares of common stock (par $5). **Price** — $10 per share. **Proceeds** — For acquisition of operating properties, real and/or personal, including office furniture, fixtures, equipment and office space, by lease or purchase. **Office** — Wilmington, Del. **Underwriter**—None. Myrl L. McKee of Portland, Ore., is President.

• United Marine, Inc. (12/14-18)
Oct. 23 filed $1,250,000 or 6% sinking fund debentures, due Dec. 1, 1974, with warrants to purchase 100 common shares for each $1,000 of debentures, and 125,000 shares of common stock (par $1), to be offered in units of 100

common shares and $1,000 of such debentures. **Price**—$1,125 per unit. **Proceeds**—For the acquisition of Richardson Boat Co., Inc., and Colonial Boat Works, Inc., and expenses incidental thereto. **Office**—Millville, N. J. **Underwriter**—Boenning & Co., Philadelphia, Pa.

U. S. Land Development Corp.
Oct. 30 filed 2,250,000 shares of common stock, of which 1,170,000 shares are to be offered pro rata to holders of the outstanding common shares of Eastern Properties, Inc., and 1,080,000 shares are to be offered pro rata to holders of the outstanding common shares of Venice East, Inc., which are to be operated as subsidaries of the issuing company. **Office**—1040 Bayview Drive, Fort Lauderdale, Fla. **Underwriter**—None.

• U. S. Magnet & Alloy Corp.
Oct. 3 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—266 Glenwood Avenue, Bloomfield, N. J. **Underwriter**—Robert Edelstein Co., 52 Wall Street, New York 5, N. Y. **Offering**—Expected in December.

U. S. Sonics Corp.
Nov. 5 (letter of notification) 73,300 shares of common stock (no par). **Price**—$2.50 per share. **Proceeds**—For working capital. **Office**—Somerville, Mass. **Underwriter**—Old Colony Investment Co., Stoneham, Mass.

★ U. S. Systems, Inc.
Nov. 24 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To purchase the Modern Die & Tool Corp. and for working capital. **Address**—P. O. Box 157, Minden, Nev. **Underwriter**—None.

• Universal Container Corporation (12/7-11)
Sept. 25 filed 167,500 shares of class A common stock (par 10 cents), of which 150,000 shares are to be publicly offered. **Price** — $4 per share. **Proceeds** — For general corporate purposes, including provision of funds for the purchase of the assets of a similarly engaged enterprise, working capital, new equipment, and expansion. **Office**—Louisville, Ky. **Underwriter**—Michael G. Kletz & Co. and Stanley Heller & Co., both of New York; Stein Bros. & Boyce, Louisville, Ky.; Roman & Johnson, Fort Lauderdale, Fla.

Universal Finance Corp.
July 13 (letter of notification) 10,000 shares of common stock (par 15 cents). **Price**—$5 per share. **Proceeds**—For general operating funds. **Office**—700 Gibralter Life Bldg., Dallas, Tex. **Underwriter**—Texas National Corp., San Antonio, Tex.

Val Vista Investment Co., Phoenix, Ariz.
June 29 filed 80 investment contracts (partnership interests) to be offered in units. **Price**—$5,378.39 per unit. **Proceeds**—For investment. **Underwriter**—O'Malley Securities Co. Statement effective Aug. 11.

Variable Annuity Life Insurance Co. of America
April 21 filed $4,000,000 of Variable Annuity Policies. **Price**—No less than $120 a year for annual premium contracts and no less than $1,500 for single premium cont :ts. **Proceeds**—For investment, etc. **Office**—1832 M Street, N W., Washington. D. C. **Underwriter**—None

★ Vickers-Crow Mines, Inc.
Nov. 23 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office** — 321½ Grant Ave., Eveleth, Minn. **Underwriter**—Sakier & Co., Inc., 50 Broad St., New York, N. Y.

Victoreen Instrument Co. (12/14-18)
Nov. 13 filed $2,500,000 of 6% convertible debentures, due Dec. 15, 1974, to be offered on coupon form in denominations of $1,000. **Price** — At 100% of principal amount plus accrued interest from Dec. 15, 1959 to date of delivery. **Proceeds**—$1,850,000 is to be used to retire a short-term bank loan undertaken in connection with acquiring the assets of Standard Felt Co., with the balance to be used for general corporate purposes. **Office**—5806 Hough Avenue, Cleveland, Ohio. **Underwriter**—Van Alstyne, Noel & Co., New York City.

Vita-Plus Beverage Co., Inc.
Aug. 11 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For publicity, advertising, business promotion and initiation of a program of national distribution and for working capital. **Office**—373 Herzl St., Brooklyn, N. Y. **Underwriter**—Glen Arthur & Co., New York, N. Y.

Vulcan Materials Co., Inc.
June 29 filed 10,000 shares of 6¼% cumulative preferred stock and 560,000 shares of common stock, to be offered to the stockholders of Ralph E. Mills Co., Talbott Construction Corp. and Talco Constructors, Inc., in exchange for all the outstanding capital stock of these three corporations, and to the owner of Sherman Concrete Pipe Co., Chattanooga, Tenn., for the business and assets of that company. **Office**—Mountain Brook, Ala. Statement became effective on July 20

• Washington Water Power Co. (1/11-15)
Nov. 24 filed $10,000,000 of first mortgage bonds and $5,000,000 of sinking fund debentures due 1985. **Price**—To be supplied by amendment. **Proceeds** — To repay notes due May 2, 1960 in the amount of $12,000,000, with the balance for construction. **Underwriters** — Kidder, Peabody & Co., Blyth & Co., Inc., White, Weld & Co. and Dean Witter & Co., all of New York.

Wear-Weld Engineering & Mfg. Co.
Nov. 16 (letter of notification) $150,000 of 7% 16-year debentures to be offered in denominations of $250 and 75,000 shares of common stock (no par) to be offered in units of one $250 debenture and 125 shares of common stock. **Price**—$500 per unit. **Proceeds**—For working capital and part payment of indebtedness to the bank. **Office**—4831 S. E. Division Street, Portland, Ore. **Underwriter**—Merritt, Vickers, Inc., New York, N. Y.

Wellington Electronics, Inc.
May 6 filed 240,000 shares of common stock (par 75 cents. **Price**—$6 per share. **Proceeds**—For repayment of a bank note; to complete the automation of the etched foil production plant at Englewood, N. J.; for manufacture of machines to be leased to capacitor manufacturers; and for working capital. **Office**—65 Honeck St., Englewood, N. J. **Underwriters**—Amos Treat & Co., Inc., and Truman, Wasserman & Co., both of New York. Statement effective July 8.

★ Wellington Management Co.
Nov. 30 filed 450,000 shares of class A common stock (non-voting), of which 58,000 shares are newly-issued stock to be acquired by the underwriters from the issuing company, and the remaining 392,000 shares are outstanding shares to be acquired from the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To reduce indebtedness from $1,650,000 to $600,000, with the balance to be used for working capital. **Office**—1630 Locust St., Philadelphia, Pa. **Underwriters**—Bache & Co. (handling the books) and Kidder, Peabody & Co., both of New York City.

Western Wood Fiber Co.
March 5 filed 100,000 shares of common stock (par $10) and 40,000 shares of preferred stock (par $25). **Price**—At par. **Proceeds**—For construction and equipment of company's plant and for working capital. **Office**—300 Montgomery St., San Francisco, Calif. **Underwriter**—None.

Western Carolina Telephone Co.
Nov. 4 filed 71,513 shares of common stock (par $5), to be offered to stockholders on the basis of one new share for each five shares held. **Price**—$6.75 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness and the continuation of construction. **Office**—15 South Main St., Weaverville, N. C. **Underwriter**—None.

★ Whirlpool Corp., St. Joseph, Mich.
Dec. 1 filed 400,000 shares of common stock, to be offered under the company's 1955 and 1959 Employee Stock Option Plan.

★ Wilmington Fund, Inc.
Dec. 1 filed an amendment to its registration statement covering an additional 10,000,000 shares. **Proceeds**—For investment. **Office**—Claymont, Del.

• Winkelman Bros. Apparel, Inc. (12/7-11)
Oct. 22 filed 145,000 shares of class A common stock (par $3), of which 70,000 shares are to be offered for the account of the company and 75,000 shares, representing outstanding stock, are to be offered for the accounts of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—25 Parsons St., Detroit, Mich. **Underwriter**—Watling, Lerchen & Co., Detroit.

• Worcester County Electric Co.
Oct. 30 filed $7,500,000 of first mortgage bonds, series E, due 1989, and 35,000 shares of common stock, the stock to be sold to its corporate parent, New England Electric System. **Proceeds**—First to the payment of short-term notes payable, then outstanding, incurred for capitalizable construction expenditures, including notes payable to NEES, presently amounting to $6,800,000. The balance will be used to pay the cost of or the reimbursement of Worcester's treasury for, extensions, enlargements, and additions to the plant and property of the company. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Blyth & Co., Inc. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; The First Boston Corp.; Coffin & Burr, Inc. **Bids**—Expected to be received on Dec. 7.

Word Record Distributing Co.
Oct. 30 (letter of notification) 20,000 shares of common stock (par 10 cents) to be offered primarily to distributors, certain key men within the distributor organizations and recording artists of the company. **Price**—$10 per share. **Proceeds**—To retire a debt; purchase inventory, etc. **Office**—3407 Franklin Ave., Waco, Tex. **Underwriter**—None.

Wyoming Nuclear Corp.
Sept. 11 (letter of notification) 10,000,000 shares of common stock. **Price**—At par (three cents per share). **Proceeds**—For mining expenses. **Office**—Noble Hotel Bldg., Lander, Wyo. **Underwriter**—C. A. Benson & Co., Inc., Pittsburgh, Pa.

• York County Gas Co.
Oct. 26 (letter of notification) 5,571 shares of common stock (par $20) being offered for subscription by stockholders of record Nov. 17, 1959, on the basis of one new share for each 15 shares then held; warrants to expire Dec. 21, 1959. Unsubscribed shares go to full-time, regular employees (including officers) allowing them to subscribe for not more than 100 additional shares, subject to allotment; these rights also expire Dec. 21, 1959. **Price**—$47 per share. **Proceeds**—To pay off a temporary bank loan. **Office**—127 W. Market St., York, Pa. **Underwriter**—None.

Prospective Offerings

American Gypsum Co.
July 15 it was reported that the company will register debt and equity securities later this year. **Proceeds**—For construction of a gypsum products plant in Albuquerque, New Mexico, and for working capital. **Office**—Albuquerque, N. M. **Underwriters**—Jack M. Bass & Co. Nashville, Tenn., and Quinn & Co., Albuquerque, N. M **Registration**—Expected in the immediate future.

American Hospital Supply Corp.
Oct. 28 directors of this company have authorized an additional equity financing, number of shares has not as yet been determined. **Proceeds**—For company's expansion program, to retire bank loans, and for general corporate purposes. **Underwriters**—Eastman Dillon, Union Securities & Co. and Smith, Barney & Co., both of New York. **Registration** — Expected sometime after Jan. 1, 1960

American Jet School, Inc., Lansing, Mich.
Aug. 31 it was announced that the corporation plans to issue and sell 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For expansion of present Michigan and Ohio sales force to a national one, and introduction of new courses and resident study schools. **Business**—In correspondence school business. **Office**—1609 Kalamazoo St., Lansing, Mich. **Underwriter**—In New York, to be named. The company is presently negotiating with two New York underwriters.

Bank of Westbury Trust Co.
Nov. 24 the bank is offering to the holders of the company's outstanding capital stock (par $12.50) of record Nov. 12, 1959, the right to subscribe at $26 per share for 9,750 additional shares of capital stock. Subscription warrants will expire at the close of business day on Dec. 11, 1959. **Proceeds**—To increase capital and surplus. **Underwriter**—Francis I. du Pont & Co., New York.

Coffee House, Inc., Lansing, Mich.
Aug. 31 it was announced company plans to issue and sell 100,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds** — To build chain of coffee houses, establish commissaries and for general corporate purposes. **Office** — 1500 Clifton Ave., Lansing, Mich. **Underwriter**—In New York, to be named.

★ Engelhard Industries, Inc.
Dec. 2 it was reported that this Newark, N. J., corporation might make an announcement in the next two weeks concerning a forthcoming issue of common stock.

First National Bank of Miami, Fla.
Sept. 14 it was announced stockholders have approved a proposed offering to stockholders of 150,000 additional shares of capital stock (par $10) on the basis of one new share for each four shares held. **Price**—$40 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—None.

• Florida West Coast Corp.
Oct. 22 it was reported that a public offering of common stock is expected later this year. **Proceeds** — For land acquisition. **Office**—30 East 60th Street, New York City. **Underwriter**—Midtown Securities Corp., same address. **Registration**—Expected in a couple of weeks. **Offering**—Expected in January, 1960.

Georgia-Pacific Corp.
Aug. 19 it was reported that the company plans to register about $10,000,000 of convertible preferred stock, conversion of which would add about 600,000 shares to the number of common shares currently outstanding **Proceeds** — For expansion. **Office** — Olympia, Wash. **Underwriter**—Financing in past has been handled by Blyth & Co., Inc. **Offering** — Expected pursuant to a stockholders meeting to be held on Dec. 4 in Augusta, Georgia.

Independent Radio, Inc., Lansing, Mich.
Aug. 31 it was announced company plans to issue and sell 100,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—For acquisition of radio stations. **Business** — Radio broadcasting. **Office**—130 Shepard St., Lansing, Mich. **Underwriter**—In New York, to be named.

National Mail Order Co., Lansing, Mich.
Oct. 5 it was announced company plans to register an issue of 100,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—For expansion and working capital. **Office**—130 Shepard St., Lansing, Mich. **Underwriter**—To be named later in New York State.

Nedick's Stores, Inc. (12/14-18)
Nov. 12 it was reported that the company is contemplating the placing in registration of 17,000 shares of common stock. About 66% of the issue will be sold for the company's account and the remaining 34% balance will be sold for the account of a selling stockholder. **Underwriter**—Van Alstyne, Noel & Co., New York.

Northern Illinois Gas Co.
Nov. 18 it was announced by Marvin Chandler, President, that the company expects to sell $10,000,000 to $15,000,000 of straight preferred stock early next year subject to market conditions. **Proceeds**—To retire outstanding bank loans and for 1960 construction program. **Underwriters**—The First Boston Corp. and Glore, Forgan & Co., both of New York.

South Carolina Electric & Gas Co.
June 22, S. C. McMeekin, President, announced plans to sell approximately $8,000,000 of bonds in December 1959. **Proceeds**—To repay bank loans incurred for current construction program. Previous issues have been placed privately.

Tampa Electric Co.
Sept. 14 it was reported that the company is planning the sale of about $7,000,000 of additional common stock probably in the form of a rights offering and a negotiated underwriting. Last rights offering was underwritten by Stone & Webster Securities Corp., New York.

Transcontinental Gas Pipe Line Corp.
Sept. 29 it was announced that the company plans to come to market twice in 1960 with the sale of first mortgage bonds, and common and preferred stock. **Proceeds**—To raise permanent funds for the financing of its 1960 expansion program. **Office**—Houston, Texas.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	Dec. 5	§92.3	*89.7	13.0	73.5
Equivalent to— Steel ingots and castings (net tons)	Dec. 5	§2,612,000	*2,540,000	368,000	1,985,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Nov. 20	6,934,575	6,875,825	6,875,075	6,974,835
Crude runs to stills—daily average (bbls.)	Nov. 20	¶8,017,000	7,892,000	7,662,000	7,880,000
Gasoline output (bbls.)	Nov. 20	28,816,000	27,839,000	27,236,000	27,861,000
Kerosene output (bbls.)	Nov. 20	2,213,000	2,215,000	2,140,000	2,474,000
Distillate fuel oil output (bbls.)	Nov. 20	12,561,000	*12,302,000	12,253,000	12,695,000
Residual fuel oil output (bbls.)	Nov. 20	6,735,000	5,992,000	5,902,000	6,366,000
Stocks at refineries, bulk terminals, in transit, in pipe lines— Finished and unfinished gasoline (bbls.) at	Nov. 20	177,260,000	176,400,000	178,017,000	169,576,000
Kerosene (bbls.) at	Nov. 20	31,970,000	32,699,000	33,176,000	32,155,000
Distillate fuel oil (bbls.) at	Nov. 20	174,571,000	178,913,000	181,445,000	162,415,000
Residual fuel oil (bbls.) at	Nov. 20	56,292,000	57,990,000	58,699,000	66,619,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Nov. 21	629,362	638,408	607,347	619,754
Revenue freight received from connections (no. of cars)	Nov. 21	544,381	527,782	527,267	550,730
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Nov. 26	$389,800,000	$372,100,000	$318,500,000	$273,014,000
Private construction	Nov. 26	187,800,000	232,300,000	177,800,000	113,064,000
Public construction	Nov. 26	202,000,000	139,800,000	140,700,000	159,950,000
State and municipal	Nov. 26	160,800,000	85,600,000	113,900,000	143,894,000
Federal	Nov. 26	41,200,000	54,200,000	26,800,000	16,056,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Nov. 21	9,425,000	*8,860,000	8,100,000	9,179,000
Pennsylvania anthracite (tons)	Nov. 21	387,000	438,000	433,000	378,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Nov. 21	182	167	151	169
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Nov. 28	13,173,000	13,812,000	12,978,000	12,274,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Nov. 26	268	287	273	244
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Nov. 24	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Nov. 24	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	Nov. 24	$44.17	$46.17	$46.17	$40.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper— Domestic refinery at	Nov. 25	33.825c	34.725c	32.675c	28.675c
Export refinery at	Nov. 25	29.500c	30.300c	30.950c	27.450c
Lead (New York) at	Nov. 25	13.000c	13.000c	13.000c	13.000c
Lead (St. Louis) at	Nov. 25	12.800c	12.800c	12.800c	12.800c
‡Zinc (delivered) at	Nov. 25	13.000c	13.000c	12.539c	12.000c
Zinc (East St. Louis) at	Nov. 25	12.500c	12.500c	12.039c	11.500c
Aluminum (primary pig. 99.5%) at	Nov. 25	24.700c	24.700c	24.700c	24.700c
Straits tin (New York) at	Nov. 25	100.500c	101.125c	101.625c	99.375c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Dec. 1	82.02	82.92	82.94	88.09
Average corporate	Dec. 1	84.30	84.30	84.17	90.48
Aaa	Dec. 1	88.27	88.13	87.99	95.01
Aa	Dec. 1	86.24	86.24	85.59	93.23
A	Dec. 1	84.04	84.04	84.17	90.06
Baa	Dec. 1	79.25	79.13	79.13	84.04
Railroad Group	Dec. 1	82.15	82.27	82.77	88.13
Public Utilities Group	Dec. 1	84.55	84.43	83.53	90.63
Industrials Group	Dec. 1	86.38	86.24	86.11	92.79
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Dec. 1	4.34	4.24	4.23	3.60
Average corporate	Dec. 1	4.84	4.84	4.85	4.38
Aaa	Dec. 1	4.54	4.55	4.56	4.07
Aa	Dec. 1	4.69	4.69	4.74	4.19
A	Dec. 1	4.86	4.86	4.85	4.41
Baa	Dec. 1	5.25	5.26	5.26	4.86
Railroad Group	Dec. 1	5.01	5.00	4.96	4.55
Public Utilities Group	Dec. 1	4.82	4.83	4.90	4.37
Industrials Group	Dec. 1	4.68	4.69	4.70	4.22
MOODY'S COMMODITY INDEX	Dec. 1	378.2	380.0	390.4	394.6
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Nov. 21	296.038	304,154	291,955	272,186
Production (tons)	Nov. 21	323,362	331,839	317,823	306,086
Percentage of activity	Nov. 21	95	95	94	94
Unfilled orders (tons) at end of period	Nov. 21	469,641	495,639	487,298	398,251
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Nov. 27	111.61	111.49	111.64	109.65
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered— Total purchases	Nov. 6	2,129,650	2,844,120	1,769,620	2,265,180
Short sales	Nov. 6	376,710	590,870	314,600	481,800
Other sales	Nov. 6	1,768,110	2,281,910	1,453,820	1,825,760
Total sales	Nov. 6	2,144,820	2,782,780	1,768,420	2,307,560
Other transactions initiated off the floor— Total purchases	Nov. 6	452,060	758,640	424,220	523,440
Short sales	Nov. 6	90,600	230,320	54,550	55,300
Other sales	Nov. 6	338,840	637,600	338,060	467,500
Total sales	Nov. 6	429,440	867,920	392,610	522,800
Other transactions initiated on the floor— Total purchases	Nov. 6	752,220	1,019,959	726,438	678,500
Short sales	Nov. 6	97,280	227,940	162,950	117,330
Other sales	Nov. 6	659,587	1,028,415	580,063	859,291
Total sales	Nov. 6	756,867	1,256,355	743,013	976,621
Total round-lot transactions for account of members— Total purchases	Nov. 6	3,333,930	4,622,719	2,920,278	3,467,120
Short sales	Nov. 6	564,590	1,049,130	532,100	654,430
Other sales	Nov. 6	2,766,537	3,947,925	2,371,943	3,152,551
Total sales	Nov. 6	3,331,127	4,997,055	2,904,043	3,806,981
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—† Number of shares	Nov. 6	1,581,506	2,136,045	1,152,174	1,470,488
Dollar value	Nov. 6	$81,961,393	$108,158,299	$58,801,306	$69,346,567
Odd-lot purchases by dealers (customers' sales)— Number of orders—Customers' total sales	Nov. 6	1,338,194	1,678,594	885,629	1,489,787
Customers' short sales	Nov. 6	11,573	15,983	10,441	8,098
Customers' other sales	Nov. 6	1,326,621	1,662,611	875,188	1,481,689
Dollar value	Nov. 6	$66,807,859	$81,333,812	$44,372,645	$69,670,667
Round-lot sales by dealers— Number of shares—Total sales	Nov. 6	337,300	386,720	190,930	473,060
Short sales	Nov. 6	------	------	------	------
Other sales	Nov. 6	337,300	386,720	190,930	473,060
Round-lot purchases by dealers— Number of shares	Nov. 6	561,280	847,540	491,640	433,780
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales— Short sales	Nov. 6	676,940	1,265,980	642,980	808,540
Other sales	Nov. 6	13,717,460	18,365,530	11,663,290	15,895,300
Total sales	Nov. 6	14,394,400	19,631,510	12,306,270	16,703,840
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group— All commodities	Nov. 24	119.0	118.9	119.3	119.1
Farm products	Nov. 24	85.3	85.0	86.8	91.8
Processed foods	Nov. 24	105.1	104.9	106.3	108.6
Meats	Nov. 24	89.8	90.2	94.9	102.2
All commodities other than farm and foods	Nov. 24	128.7	128.6	128.6	126.9

*Revised figure. §Includes 1,130,000 barrels of foreign crude runs. ¶Based on new annual capacity of 147,633,670 tons as of Jan. 1, 1959, as against Jan. 1, 1958 basis of 140,742,570 tons. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
ALUMINUM (BUREAU OF MINES):			
Production of primary aluminum in the U. S. (in short tons)—Month of September	168,206	172,816	125,939
Stocks of aluminum (short tons) end of Aug.	109,065	94,029	124,274
AMERICAN PETROLEUM INSTITUTE—Month of August:			
Total domestic production (barrels of 42 gallons each)	236,272,000	236,501,000	239,678,000
Domestic crude oil output (barrels)	209,733,000	210,311,000	215,114,000
Natural gasoline output (barrels)	26,524,000	26,165,000	24,519,000
Benzol output (barrels)	15,000	25,000	45,000
Crude oil imports (barrels)	29,943,000	27,510,000	29,865,000
Refined product imports (barrels)	16,150,000	16,407,000	18,587,000
Indicated consumption domestic and export (barrels)	269,074,000	277,808,000	269,576,000
Increase all stocks (barrels)	13,291,000	2,610,000	18,554,000
AMERICAN RAILWAY CAR INSTITUTE—Month of October:			
Orders for new freight cars	2,722	945	666
New freight cars delivered	2,147	2,481	1,658
Backlog of cars on order and undelivered (end of month)	36,199	35,626	23,670
AMERICAN TRUCKING ASSOCIATION, INC.—Month of September:			
Intercity general freight transported by 383 carriers (in tons)	6,307,481	5,938,777	5,548,307
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of October:			
Manufacturing number	221	192	215
Wholesale number	106	105	124
Retail number	532	563	657
Construction number	164	191	176
Commercial service number	102	93	99
Total number	1,125	1,144	1,271
Manufacturers' liabilities	$20,980,000	$15,974,000	$12,141,000
Wholesale liabilities	5,323,000	6,992,000	6,947,000
Retail liabilities	13,050,000	16,098,000	16,103,000
Construction liabilities	7,131,000	12,595,000	6,771,000
Commercial service liabilities	3,891,000	3,077,000	5,306,000
Total liabilities	$50,375,000	$54,736,000	$47,268,000
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK—			
As of Oct. 31 (000's omitted)	$755,000	$763,000	$961,000
COTTON GINNING (DEPT. OF COMMERCE):			
To Nov. 14 (running bales)	11,576,572	------	8,942,688
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on Oct. 31	20,269,000	20,285,000	20,697,000
Spinning spindles active on Oct. 31	17,648,000	17,652,000	17,650,000
Active spindle hours (000's omitted) Oct. 31	9,118,000	10,946,000	10,496,000
Active spindle hrs. for spindles in place Oct.	456.0	437.8	419.8
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1947-49 Average=100—Month of October:			
Sales (average monthly), unadjusted	149	130	143
Sales (average daily), unadjusted	141	*132	135
Sales (average daily), seasonally adjusted	133	129	128
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR—REVISED SERIES—Month of October:			
All manufacturing (production workers)	12,191,000	12,387,000	12,173,000
Durable goods	6,768,000	6,855,000	6,679,000
Nondurable goods	5,423,000	5,532,000	5,494,000
Employment indexes (1947-49 Avge.=100)— All manufacturing	98.6	*100.1	94.8
Payroll indexes (1947-49 Average=100)— All manufacturing	165.8	*169.2	152.5
Estimated number of employees in manufacturing industries— All manufacturing	16,168,000	16,375,000	16,169,000
Durable goods	9,136,000	9,233,000	9,058,000
Nondurable goods	7,032,000	7,142,000	7,111,000
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of October:			
Weekly earnings— All manufacturing	$89.06	*$89.47	$85.17
Durable goods	96.29	96.05	91.83
Nondurable goods	80.19	*80.79	76.83
Hours— All manufacturing	40.3	*40.3	39.8
Durable goods	41.0	*41.1	41.2
Nondurable goods	39.7	*39.8	39.4
Hourly earnings— All manufacturing	$2.21	*$2.22	$2.14
Durable goods	2.36	2.36	2.29
Nondurable goods	2.02	*2.03	1.95
MANUFACTURERS' INVENTORIES AND SALES Month of September (millions of dollars):			
Inventories— Durables	$29,749	*$30,145	$28,048
Nondurables	22,064	*21,971	26,248
Total	$51,813	*$52,116	$49,296
Sales	29,649	*29,203	26,804
NEW YORK STOCK EXCHANGE— As of Oct. 31 (000's omitted):			
Member firms carrying margin accounts— Total customers' net debit balances	$3,378,000	$3,406,000	$3,311,000
Credit extended to customers	168,000	156,000	123,000
Cash on hand and in banks in U. S.	967,000	1,039,000	1,140,000
Market value of listed shares	295,165,327	290,563,856	255,116,605
Market value of listed bonds	106,898,984	103,472,724	102,044,677
Member borrowings on U. S. Govt. issues	523,000	427,000	285,000
Member borrowings on other collateral	2,289,000	2,255,000	1,934,000
SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate Commerce Commission)—Month of August:			
Net railway operating income	$39,923,382	$48,891,533	$91,753,360
Other income	25,410,631	22,272,674	22,955,237
Total income	65,334,013	71,164,207	114,708,597
Miscellaneous deductions from income	4,534,977	4,198,119	4,247,381
Income available for fixed charges	60,799,036	66,966,088	110,461,216
Income after fixed charges	29,447,388	35,517,294	79,623,254
Other deductions	4,282,461	4,229,246	4,225,728
Net income	25,164,927	31,288,048	74,397,526
Depreciation (way & structure & equipment)	51,291,540	51,222,725	50,477,628
Federal income taxes	10,424,591	16,100,597	26,920,599
Dividend appropriations: On common stock	27,322,633	26,322,695	30,167,728
On preferred stock	3,257,959	698,153	4,514,676
Ratio of income to fixed charges	1.94	2.13	3.47

OUR REPORTER'S REPORT

he corporate new issue market ppears to be having its reaction om the recent successful flotaon of several high-rated issues, eatured by the big American elephone & Telegraph offering.

Market observers of long exerience ventured the opinion at hat time that investors, finding heir needs filled at least temorarily, would be inclined to ack off again and let things delop.

Well, that just about seems to um up what is happening curently. The last few undertakings, otably Consolidated Edison Co. f New York's $75 million of 30-ear bonds, have not set the vorld on fire from a standpoint f response which they attracted.

On the contrary, new buzzings bout politics, the business outook and, of course, inflation, ave tended to curtail the recent eeming haste of investors to put heir funds to work immediately.

Quite the reverse: buyers apear loath to be hurried. The aproach of the year-end naturally ends to curb activities of major nstitutional outlets except in articular cases.

At the moment the attitude eems to be that if dealers want o build inventory for a spell hat's all right. But investors, big nd small, evidently are sitting it ut for a spell.

Pretty Close Bidding

Consolidated Edison Co.'s bonds drew a pair of bids, both for a 5¼% coupon, which missed by only a little from being a dead heat. The winning group paid the issuer 100.782 for the bonds.

The runner up, (there was only one other bid), offered to take down the issue on a bid of 100.7399, just about four cents per $100 or 42 cents per $1,000 bond less. The higher bid yielded the seller only $31,500 more than the second tender.

This showed bankers contemplating pretty much the same reoffering terms which the successful group fixed as a price of 101.519 for a yield of 5.15%. This, however, found buyers a bit on the slow side.

Bell System Busy

Pacific Telephone & Telegraph Co., is the latest member of the Bell System family to disclose plans for raising capital in volume. The big Coast company has set in motion a program for raising $215 million through the sale of debt and equity securities.

It plans to offer $72 million of 33-year debentures, along with 10,045,630 shares of common stock, the latter to shareholders via "rights." The company has not set a date for the stock offering but plans to file with the SEC in January and to open bids for the debentures about Feb. 16.

The rights would go to both common and preferred holders the former getting the right to buy one new share for each ten held and the latter seven new common for each ten preferred held.

Week of Variety

Next week's calendar assures investors of a wide field from which to choose. On Monday James Talcott Inc. has a total of $22.5 million of notes going to market. Maturing in ten years, they carry a conversion feature. Worcester County Electric Co. the same day opens bids for $7.5 million bonds.

The following day Arkansas Power & Light will market $15 million of bonds and Fall River Electric Light Co. has $3 million preferred stock issue up for sale.

Wednesday brings the third consignment of Ford Motor Co. stock being sold for the account of the Ford Foundation. This 2 million common share offering is attracting plenty of attention. Land Bank of France has $50 million bonds on offer Wednesday and New England Power Co. is selling $10 million preferred.

Alberta Municipal Financing Corp., (Canada) on Friday is scheduled to market $20 million of debentures here.

Form Saul Lerner Co.

Saul Lerner Co. is conducting a securities business from offices at 25 West 43rd Street, New York City. Officers are Saul Lerner, president; Richard H. Donsky, vice-president; and Herbert Freiman, secretary-treasurer.

Form Wm. Morris Co.

William S. Morris & Co. is engaging in a securities business from offices at 37 Wall Street, New York City. Partners are William S. Morris, Jeanne Morris, Thomas C. Plowden-Wardlaw, Rosamond A. Plowman-Wardlaw, Silvia Mohan and Anne M. Butler.

Capital Secs. Opens

GREENVILLE, S. C.—Capital Securities Corporation has been formed with offices at 124 South Main Street to engage in a securities business. Officers are Lewis W. Barron, president; Stephen Calder, vice-president; Robert B. Kay, secretary; and Charles H. Netter, treasurer. Mr. Barron has been head of his own investment company and prior thereto was with E. F. Hutton & Company and Francis I. du Pont & Co.

W. G. Nielsen Branch

FILLMORE, Calif.—W. G. Nielsen Co. has opened a branch office at 423 Central Avenue, under the direction of William Shaffer.

DIVIDEND NOTICES

Beneficial Finance Co.

122nd CONSECUTIVE QUARTERLY COMMON STOCK CASH DIVIDEND

The Board of Directors has declared cash dividends on

Common Stock — $.25 per share

5% Cumulative Preferred Stock
Semi-annual — $1.25 per share

payable December 31, 1959 to stockholders of record at the close of business December 11, 1959.

Also a 2½% stock dividend in Common Stock on the Common Stock

payable January 30, 1960 to stockholders of record at the close of business December 11, 1959 (being at the rate of 1 share for each 40 shares held). Cash will be paid in lieu of fractional shares.

Over 1,200 offices in U.S. and Canada

Beneficial Finance System

Wm. E. Thompson
Secretary
November 20, 1959

AMERICAN BANK NOTE COMPANY

PREFERRED DIVIDEND No. 215
COMMON DIVIDEND No. 205

A quarterly dividend of 75¢ per share (1½%) on the Preferred Stock for the quarter ending December 31, 1959 and a dividend of 30¢ per share on the Common Stock have been declared. Both dividends are payable January 2, 1960 to holders of record December 7, 1959. The stock transfer books will remain open.

November 25, 1959

LOUIS T. HINDENLANG
Secretary and Treasurer

DIVIDEND NOTICES

COMBUSTION ENGINEERING

C·E

Dividend No. 225

A Quarterly Dividend of Twenty-Eight Cents (28¢) per share on all the outstanding stock of Combustion Engineering, Inc. has been declared, payable January 22, 1960, to stockholders of record at the close of business December 28, 1959.

OTTO W. STRAUSS
Vice-President and Treasurer

CERRO DE PASCO CORPORATION

Cash Dividend No. 158

The Board of Directors of Cerro de Pasco Corporation at a meeting held on December 1, 1959, declared a cash dividend of twenty-five cents (25¢) per share on the Common Stock of the Corporation, payable on December 29, 1959, to stockholders of record on December 11, 1959.

MICHAEL D. DAVID
Secretary

300 Park Avenue
New York 22, N. Y.

AMPHENOL ★ BORG ★

DIVIDEND NOTICE

BROADVIEW, ILLINOIS—At a meeting of the Board of Directors of Amphenol-Borg Electronics Corporation held today a quarterly dividend of thirty-five (35¢) per share was declared, payable December 30, 1959, to the stockholders of record at the close of business December 16, 1959.

FRED G. PACE, *Secretary*

November 24, 1959

DIVIDEND NOTICES

CANCO AMERICAN CAN COMPANY

PREFERRED STOCK

On November 24, 1959 a quarterly dividend of one and three-quarters per cent was declared on the Preferred Stock of this Company, payable January 2, 1960 to Stockholders of record at the close of business December 11, 1959. Transfer books will remain open. Checks will be mailed.

JOHN R. HENRY, *Secretary*

EATON MANUFACTURING COMPANY

CLEVELAND 10, OHIO

DIVIDEND No. 158—Extra

On Nov. 25, 1959, the Board of Directors declared an extra dividend of twenty-five cents (25¢) per share on the common shares of the Company, payable Dec. 22, 1959, to shareholders of record at the close of business Dec. 8, 1959.

R. G. HENGST, *Secretary*

EATON *Manufacturing plants in 18 cities, located in six states, Canada and Brazil.*

LONG ISLAND LIGHTING COMPANY

QUARTERLY DIVIDEND

PREFERRED STOCK

The Board of Directors has declared the following quarterly dividends payable January 1, 1960 to holders of Preferred Stock of record at the close of business on December 11, 1959.

Series	*Per Share*
Series B, 5%	$1.25
Series D, 4.25%	$1.0625
Series E, 4.35%	$1.0875
Series F, 4.35%	$1.0875
Series G, 4.40%	$1.10

VINCENT T. MILES
Treasurer

November 25, 1959

Pullman Incorporated

393rd & 394th Dividends

93rd Consecutive Year of Quarterly Cash Dividends

A quarterly dividend of seventy-five cents (75¢) per share and an extra dividend of one dollar ($1.00) per share will be paid on December 14, 1959, to stockholders of record November 30, 1959.

CHAMP CARRY
President

PS PULLMAN-STANDARD · M. W. KELLOGG · TRAILMOBILE

DIVIDEND NOTICES

NATIONAL STEEL *Corporation*

120th Consecutive Dividend

The Board of Directors at a meeting on November 17, 1959, declared a quarterly dividend of seventy-five cents per share on the capital stock, which will be payable December 11, 1959, to stockholders of record November 27, 1959.

PAUL E. SHROADS
Senior Vice President

THE West Penn *Electric Company*

(Incorporated)

Quarterly Dividend on the

COMMON STOCK

40¢ PER SHARE

Payable December 29, 1959
Record December 11, 1959
Declared December 2, 1959

WEST PENN ELECTRIC SYSTEM
Monongahela Power Company
The Potomac Edison Company
West Penn Power Company

YALE & TOWNE

287th Quarterly Dividend

37½¢ a Share

Payable:
Jan. 2, 1960

Record date:
Dec. 10, 1959

Declared:
Nov. 24, 1959

Elmer F. Franz
Vice President and Treasurer

THE **YALE & TOWNE** MFG. CO.
Lock and Hardware Products since 1868
Materials Handling Equipment since 1875
Cash dividends paid every year since 1899

ROBERTSHAW-FULTON CONTROLS COMPANY

Richmond, Va.

MR. CONTROLS

PREFERRED STOCK

A regular quarterly dividend of $0.34375 per share has been declared on the $25.00 par value 5½ per cent Cumulative Convertible Preferred Stock, payable December 20, 1959 to stockholders of record at the close of business December 10, 1959.

COMMON STOCK

A regular quarterly dividend of 37½c per share has been declared on the Common Stock payable December 21, 1959 to stockholders of record at the close of business December 10, 1959.

A 2% stock dividend has been declared on the Company's outstanding Common Stock, payable in Common Stock December 30, 1959 to holders of record at the close of business December 10, 1959.

The transfer books will not be closed.

JAMES A. WITT
Secretary

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — When the existing proposed Interstate Highway System is completed years from now, there probably will be spent some $50,000,000,000.

That is a stupendous sum of money. It compares with our national debt in the sum of $290,000,000,000. Congress does not suspect any wholesale grafting or widespread racketeering. Nevertheless, a Congressional committee is getting ready to take a long, and probably a continuing searching look into the whole road building program.

Some members of Congress have said privately that in spending such a collossal sum of money as the road program is costing, there is bound to be some wrong doings.

A Minnesota Democrat, Representative John A. Blatnik, is going to head the special investigating committee of the House Public Works Committee. The hearings will not begin until sometime in the New Year.

The success of the hearings for the first few months will depend almost entirely on the investigators for the Subcommittee, the Congressman says. There will be some hearings in Washington and some in the field.

Numerous Complaints

The committee was created after many complaints started pouring in to Congress, and some members of Congress were disappointed and started griping after a shortage of Federal matching funds cropped up and more funds had to be raised by Congress at the last session to keep the Interstate System going. Congress raised the Federal gasoline tax to 4 cents a gallon.

"There were complaints of overdesigning, overspending, waste, etc.," said Representative Blatnik. "It then became obvious that Congress should take a good look into all of these things. That's what this committee is for."

The Federal Government pays 90% of the cost of the Interstate roads. The primary, secondary and urban highways are financed by 50-50 matching funds by the Federal Government and the State Governments.

While the House Public Works Subcommittee will be looking into a series of complaints, the Bureau will be working on two major reports that it will submit to Congress in 1961. One will be a new survey of the estimated cost of the Interstate system. Another will deal with the question of whether nonhighway users, like hotels, motels, restaurants, and business places and general and real estate developments should pay part of the cost of building and upkeep of roads.

Now only the highway users pay the cost. Whatever recommendations or observations the Bureau of Public Roads makes in this connection will be of great interest to the highway industry.

Government's Entry

The Federal Government got into the transportation picture in 1893 when an Office of Road Inquiry was set up in the Department of Agriculture. That was the year the first gasoline automobile was built. Seven years later there were 8,000 automobiles in this country.

By 1916 annual motor vehicle production exceeded 1,000,000 for the first time. As a result the Federal Government entered the road building field on a nationwide basis. The first Federal Aid Road Act was passed in 1916. That act laid the foundation for the cooperative Federal-State highway program now in effect.

Today the United States is a Nation on wheels. There is nothing comparable to it in any other country of the world. As more and more motor vehicles come off the production lines there is more and more need for roads and streets.

Eye on 1975

The Federal-Aid Highway Act of 1956 dramatically calls for a 41,000-mile network of Interstate highways built to standards which will handle the types and volumes of traffic predicted for the system in 1975.

"We are looking 15 years ahead," said Ellis L. Armstrong, Commissioner of the Bureau of Public Roads, "to the time when at least 100,000,000 passenger cars, trucks and buses will be on the go, a gain of around 45% over the 70,000,000 in use today."

Commissioner Armstrong declares this mighty program, plus the greatly increased ABC (primary, secondary and urban) funds, will give this country a tremendous network of roads to handle the mighty motor vehicle fleet.

810,000-Mile Network

The Federal highway plant embraces 810,000 miles. This includes the Interstate network. This mileage now carries 63% of all motor-vehicle traffic and by 1971 these roads will be carrying nearly 70% of the traffic. Thus there is no wonder that the highway program now ranks with such major undertakings as education, public health and national security, says Mr. Armstrong.

It may be another 10 or 15 years, depending on circumstances, where these Interstate roads will be finished. And once they are finished they are going to cost the various states a huge sum of money to keep them up. The upkeep alone may run as high as $10,000 a year per mile.

The Interstate roads will make up 1.2% of the entire road system and street mileage. They will pass through 37% of the 3,000 counties of the Nation. These counties have about half of the Nation's population.

The various State Highway Departments have increased their staffs all along the lines. Most State Highway departments today have the biggest payrolls in history.

The magnitude of this program is being reflected in other ways. There is more sand and gravel being excavated for roads than any other time, and the cement and asphalt plants have been on fairly high productive schedules. Cement and asphalt production capacity has greatly increased in various parts of the country.

Magnitude of Program

Many people have not yet realized the scope of this whole, wide program. Total Federal aid apportioned to the States for the fiscal years 1957 through 1960 was $11,450,000,000. This is about 60% more than the sum total of Federal aid for highways in the previous 40 years.

The Bureau of Public Roads, the Highway Departments and the motor vehicle industry generally are looking at the overall program through rose-colored glasses. From 1956 to 1971, the Bureau of Roads, for instance, expects travel by cars, trucks, taxis, and buses to increase nearly 70% — from 623 billion vehicle miles to more than a trillion.

These highways are increasing rural land values at a marked clip. The officials in the Bureau of Roads, which is under the Department of Commerce, declare that the New York Thruway has attracted $650,000,000 worth of industrial, commercial and residential development along its 538-mile route. Express routes around large cities, like Massachusetts Route 128, have sparked the growth of industrial parks, residential areas and shopping centers. The Gulf Freeway out of Houston and the Dallas Expressway are sharp examples of skyrocketing land values near such highways.

On the other hand these expressways are leaving the big, central cities choking with traffic. As a result there are more and more blighted areas in the central cities. Some of the central cities are withering away. As a result, taxing authorities are having to reduce taxes on properties in the central cities. There is also the question of whether or not the people will continue to move further and further away from their jobs as the cost of transportation grows bigger all the time with higher taxes on fuels, and higher costs of building automobiles.

Something will have to give one of these years ahead.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"I wish you'd stop introducing me as our call girl!"

Businessman's BOOKSHELF

Chemical Industry Facts Book, 1960-61 Edition—Manufacturing Chemists' Association, Inc., 1825 Connecticut Avenue, N. W., Washington 9, D. C. (paper), $1.25.

Deposit Velocity and Its Significance—George Garvy—Federal Reserve Bank of New York, New York 45, N. Y. (paper), 60c.

Depreciation and Taxes, A Symposium—Tax Institute Incorporated, Princeton, N. J. (cloth), $6.

Effects of Monopolistic and Quasi-Monopolistic Practices on Employment, Growth and Price Levels—Hearings Before the Joint Economic Committee of the 86th Congress of the United States—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), $1.25.

Florida Industrial Fact Book—Allen Morris—Allen Morris, The Capitol, Tallahassee, Fla. (paper).

Freeman — December issue c tains articles on Oil's Sec Century; Competition, Mor oly, and the Role of Gove ment; Syndrome of Liber. etc.—Foundation for Econo Education, Inc., Irvington-Hudson, N. Y. (paper), 50c.

Inflation—Incidence of Inflat or Who Gets Hurt? (Seym E. Harris); Protection Aga Inflation (H. S. Houthakk Share of Wages and Salarie Manufacturing Incomes, 1947 (Alfred H. Conrad)—Mate prepared in connection with Study of Employment, Grov and Price Levels for conside tion by the Joint Econo Committee of the Congress the United States—Superinte ent of Documents, U. S. Gove ment Printing Office, Washi ton 25, D. C. (paper) 45c.

New England Textiles and New England Economy—Rep by the New England Govern Textile Committee to the C ference of New England G ernors and a detailed analy by Seymour E. Harris (pape

New York—1959 annual report the Comptroller of the State New York — New York St Department of Audit and C trol, Albany, N. Y. (paper).

Nuclear Liability in Europe Monograph — Atomic Industr Forum, 3 East 54th Street, N York 22, N. Y.—50c.

Pension Funds and Econor Power — Paul P. Harbrecht 20th Century Fund, 41 East 7 Street, New York 2, N. (cloth), $4.

Savings and Home Financi Chart Book for 1959—Fede Home Loan Bank Board, Was ington, D. C. (paper).

State & Local Government F nances in 1942 and 1957—B reau of the Census, Washingt 25, D. C. (paper), 50c.

Traders Graphic — Analytic monthly for security dealers a financial institutions — Annu subscription—Monthly editio $7; combined monthly a quarterly editions, $40—Tra ers Graphic, 170 Broadway, N York 38, N. Y.

Wall Street 20th Century — Symposium of articles coveri the nature and operations the financial world written layman's language — W Street/20th Century, 30 Ea End Avenue, New York 28, Y.—$2.

Where You Stand Under t Labor Reform Law—Simplifi explanation of the major pr visions of the Labor-Manag ment Reforms Law of 1959 Bureau of National Affai Washington, D. C. (pape minimum order 100 copies 12 cents per copy.

World of the Wall Street Journa Main Street and Beyond—E ited by Charles Preston—Sim and Schuster, Inc., 630 Fif Avenue, New York 20, N. (cloth), $6.50.

Mocrey Opens Office

BROOKLYN, N. Y. — Robe Mocrey is conducting a securiti business from offices at 975 Wasl ington Avenue.